

# The NATIONAL UNDERWRITER

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## Manpower Is Marketing Key; Role Of Personnel, Training Officials Vital

By JOHN N. COSGROVE

Personnel officers and directors of company training programs are seldom mentioned in the current debates over the marketing crisis in the business. Yet they—perhaps more than any other type of insurer executive—may hold the key to the ultimate solution of the difficulties for the individual company.

The business has already taken several abrupt turns in its marketing procedures, and it is likely that many more side roads lie ahead. However, the changes that have been made or are contemplated are largely in the

realm of methods and mechanical procedures. Most discussions are still centered on these two areas. Little has been said about the men who are to implement the new and revised procedures.

Obviously there is little sense in changing a mechanical function or an established routine unless it results in improved performance. Equally obvious is the fact that better performance in the main can only come from better men. It is up to personnel officers to lead the efforts to locate these men—preferably within the company to meet immediate needs—and through recruiting and skillful selection of

other applicants to build a reserve of manpower for the future. Training directors will then have to direct development of a company's talent to get maximum performance.

### Key Role In Progress

These worthy objectives have been paid lip tribute by the business in the past. Nevertheless, personnel men and training directors—although they are the discoverers, moulders and shapers of the men who will eventually comprise insurer management—have in many cases remained in that curious limbo reserved for those insurance officials who are "not exactly in the

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## Unknown Buyer Offers \$45 A Share For Mass. Bonding

Seeks At Least 100,000 Of 500,000 Shares; Won't Sell, Management Says

Bankers Trust Co. of New York, representing an unidentified principal, has made an offer to buy Massachusetts Bonding stock at \$45 a share. The offering, conditional on tenders of at least 100,000 shares of the 500,000 outstanding, expires Feb. 26.

In a letter to stockholders, A. Lawrence Peirson Jr., president of Massachusetts Bonding, said that he had not been able to uncover the identity of the prospective buyer for whom the bank is acting. He pointed out that the directors and management do not intend to offer or sell any of their holdings, adding that management owns a substantial amount of the stock.

Mr. Peirson said that at no time has there been a direct approach to the company with regard to the proposed purchase. He said that while his company recognized the principle of a free market, it does not look upon the acquisition maneuver favorably.

### Believe Shares Are Worth More

Those seeking the stock obviously believe that the shares offer sound value and are worth more than the price they propose, Mr. Peirson stated. Massachusetts Bonding has been traded at 39-40.

In his letter, he also said that the 1959 annual report, to be issued next month, will show substantial progress with net income of about \$5.45 a share. Earnings at that rate would imply net income of more than \$2.7 million.

Mr. Peirson also referred to an extra dividend of 20 cents a share which the company recently declared in ad-

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## Says Blue Goose To Play Leading Role As Field Men's Society

The 1960 Grand Nest Bulletin of Blue Goose will contain a message from E. C. Saulcy, Great American, MLGG, calling attention to the new role the Blue Goose is afforded during the time of reorganization of the field clubs. Blue Goose has the opportunity again to prove its value to the industry, Mr. Saulcy says, referring to the centralization of direction of field activities in Inter-Regional Insurance Conference and Insurance Information Institute.

### Will Be Temporarily Discontinued

"During the present transition," the message states, "all field clubs and similar bodies are being temporarily discontinued. Without organization, the various activities such as public relations, agent and public education, fire prevention and others too numerous to mention, will suffer and become practically non-existent. This work will no doubt resume at a later date on a nationwide basis.

"In the meantime, Blue Goose will be the only organized group in the field. We must exert every effort possible to maintain and further the interest of our membership in continuing the work formerly administered by the field clubs. By doing so, the activities which were valuable to the companies will not deteriorate, but will be ready to move ahead under new guidance when and as formed by the industry."

## Great Northern Cuts '58 Underwriting Loss

Great Northern reports a statutory underwriting loss for 1959 of only \$54,140 compared with \$233,298 in 1958. Premiums during the past year were up 6%—\$5,258,537. Policyholders' surplus stood at \$5,185,464. After gain from investments of \$254,272 and a small tax credit, net gain from operations was \$206,261.

## 5 Defendants In Cal. Agents Suit File Countersuit

Five of the seven company defendants in the anti-trust suit brought by California League of Independent Insurance Producers have filed a countersuit against that organization, charging anti-trust conspiracy to fix minimum commissions, and demanded \$6,725,000 damages.

The five companies and amounts demanded are Fireman's Fund, \$500,000; Travelers Indemnity, \$2,367,000; Aetna Casualty, \$2,040,000; Royal Indemnity, \$795,000; Great American Indemnity, \$1,221,000. These companies accuse the agents of a conspiracy to charge "excessive insurance rates" to obtain "unjustifiable commissions." United Pacific and Pacific Indemnity, the other two company defendants, filed denials of the agents' charges but asked no damages.

The agents, in their suit, demanded treble damages amounting to \$7,845,000.

## Sen. Wiley Blasts Foreign Insurers; Urges Deeper Probe

Sen. Wiley of Wisconsin, ranking Republican on the Senate anti-trust and monopoly subcommittee investigating insurance, has urged further action by that group and by state and federal interests in investigating "unfair competition and improper practices by foreign insurers." He intimated that the forthcoming subcommittee report does not go deep enough into the subject.

Quoting from an editorial in American Medical Assn. News of last November, Sen. Wiley noted that many U. S. physicians may be forced to use savings to satisfy malpractice claims because of the failure of British Commercial.

Davis Dorland & Co., New York brokers, has elected Chester A. Van Doren assistant secretary.

## Holds Non-Hospital Charities Remain Immune In Ohio

COLUMBUS—Ohio supreme court modified the liability of charitable institutions in the state, holding that a well publicized 1956 decision, which reversed a long series of older cases establishing immunity for these organizations, applied only to hospitals. The 1956 case, Avellone vs St. John's Hospital, 135 N.E. (2nd.) 410, held a non-profit hospital liable for injury to a paying patient.

### Demurrer Sustained

In the present case, Gibbon vs YWCA, 170 Ohio St. 280, a girl who had paid a fee for use of the YWCA swimming pool in Hamilton died as a result of this activity. Her parents sued the YWCA, alleging negligence in the operation of the pool. The Mercer County common pleas court sustained a demurrer, on the ground that the Avellone case applied to hospitals only. The court of appeals reversed this, but the supreme court reinstated the

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Program committee of Adjusters Assn. of Chicago and guest speaker at a joint meeting with Western Loss Assn. From left: R. F. Smiricky, Western Adjuster; W. G. Wiese of the company bearing his name; William Clark, financial editor Chicago Tribune, the speaker; C. O. Stewart, adjuster; Wilbur C. Hillman of the company bearing his name, program committee chairman, and E. W. Gielow, assistant general adjuster Phoenix of Hartford. (Story on page 20.)

## Hartford Group Has Underwriting Gain; Over-All Advances

Hartford Fire group went into the black in underwriting in 1959 with a profit of \$2,780,000 compared with a loss of \$1,288,000 in 1958. Premiums written went to \$478,286,000 from \$426,190,000. Unearned premium reserve increased \$20,894,487. Policyholders surplus was \$411,161,000 compared with \$363,231,000 in 1958.

Fire and allied lines premiums were \$205,829,000, compared with \$184,598,000 the year before. Casualty and surety writings were up to \$271,251,000 from \$240,441,000, and livestock premiums went from \$1,151,000 in 1958 to \$1,206,000. Assets rose to \$1,119,749,000 from \$908,606,000.

Unpaid installments on term premiums not recorded as written at the end of 1959 were \$96,000 compared with \$79,000 in 1958 and \$68,000 in 1957.

Underwriting profit was \$1,473,000 on fire and allied lines; \$1,071,000 on casualty and surety, and \$236,000 on livestock. These results compare with a loss of \$2,210,000, and gains of \$694,000 and \$228,000 for the respective classes in 1958.

Incurred to earned loss ratio in 1959 was 53.85 compared with 53.72 in 1958 and 55.79 in 1957. Incurred loss expense ratios to earned were 7.42, 7.06 and 7 for the respective years. Incurred to written expense ratios were 36.45, 37.75 and 37.67 for the same years.

### Individual Company Performances

Investment income in 1959 was up to \$24,981,000 from \$22,294,000. Net operating gain in 1959 was \$24,275,000 or \$9.08 a share compared with \$17,973,000 or \$7.19 a share in 1958. The per share earnings are based on 2,673,559 shares outstanding in 1959 and 2.5 million shares outstanding in prior years.

Hartford Fire had an underwriting gain of \$1,317,475, on premiums of \$193,132,776; Hartford Accident a gain of \$1,071,241 on \$271,251,458; Hartford Live Stock a gain of \$235,630 on \$1,206,294; Citizens a gain of \$21,432 on \$2,015,285; New York Underwriters a gain of \$87,761 on \$8,061,142; Twin City Fire a gain of \$61,987 on \$1,511,464; and London-Canada a loss of \$15,193 on \$1,107,874.

James C. Hullett, president, reported that since the acquisition of Columbian National Life in 1959, many surveys and plans for the future have been made. The consolidation of the group activities of the life company with those of Hartford Accident is proceeding. Selection and training of desirable personnel for the life operation are receiving primary attention. Key appointments of regional life managers have been made, and the officers of the fire, casualty and life companies are coordinating their efforts in a planned program of expansion.

### Zurich Ups Gerick To Buffalo Manager

Walter E. Gerick has been promoted to manager of Zurich's Buffalo branch, succeeding William J. Wendt.

Mr. Gerick joined the company in 1955 as a sales representative at Detroit. In 1956 he was promoted to agency supervisor. He was transferred to Buffalo as branch sales supervisor last year.



The two living past presidents of Shelby Mutual, L. A. Dennis, (left), now chairman, and J. J. Crum, executive committee chairman, were guests of honor at a dinner for members of the president's council as the company marked its 80th anniversary. Oil paintings of Mr. Dennis and Mr. Crum were presented to them for hanging in the directors' room.

Mr. Dennis has been with the Shelby group since 1912 and was president from 1928 to 1947. Mr. Crum, who started with the company in 1918, succeeded Mr. Dennis as president in 1947 and held office until 1957.

## Reviews Pros, Cons Of Underwriting At Home Office, Branch Or Field Levels

Advantages and drawbacks of underwriting at the home office, branch office or field levels were reviewed by Frederick M. DuBois, assistant vice-president Employers Mutual Casualty, at the fire conference at Chicago of Conference of Mutual Casualty Companies.

Discussing pros and cons of having all underwriting done at the home office level, Mr. DuBois noted that the home office is the headquarters of

whatever knowledge the company possesses and it is here that the best talents of the company tend to be. Home office underwriters are in a position to see the picture as a whole, they are not subject to local pressures, and they can be impartial in their acceptance or declinations.

However, an expert fire underwriting job cannot be done by a man who does not have knowledge of local

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## North America Has Underwriting Gain; New Peaks Reached

North America companies had a consolidated underwriting profit of \$1,163,000 in 1959. Premiums written were up from \$340,537,000 to \$357,837,000. Policyholders surplus was \$513,796, a gain of \$207,000. Assets increased \$41,720,000 to \$1,064,090,235.

North America's underwriting profit was \$358,000, while that of Indemnity of North America was \$804,000.

Premiums written by North America increased \$18,416,000 in 1959 to reach \$210,388,000. Unearned premium reserve rose \$18,304,000. Indemnity of North America's writings were down by \$1,116,000 to \$147,449,000, while the unearned premium reserve added \$1,247,000.

North America's incurred to earned loss ratio was 57.63 and its incurred to written expense ratio was 38.5. The two ratios for the indemnity company were 63.28 and 35.86. Consolidated ratios were 60.07 and 37.42 compared with 60.4 and 37.4 in 1958.

### Other Results

Consolidated investment income rose 5.6% to \$29,210,000 before taxes. Net operating income was \$25,097,227, an increase of \$2,082,000 over 1958.

John A. Diemand, president, said the aviation business is a cause of concern because of its poor record in the past two years. Judgment failure of pilots operating both small and large planes, privately and corporately owned, has been the outstanding cause of many accidents.

Of equal concern, Mr. Diemand said, are rising losses in workmen's compensation. A number of states have increased WC benefits, and while the business has always experienced some lag in increasing rates to balance these increased benefits, there has rarely been such an accompanying heavy increase in loss ratios. All companies seem to be affected, Mr. Diemand observed, and appropriate ameliorating measures will be in order.

### NAIB Eyes Rate Laws, Joint Conference Unit

At its January meeting, the governing committee of National Assn. of Insurance Brokers discussed a bill drafted by its counsel to permit more flexibility in state rating laws. The proposed measure is similar to the California and Missouri type laws and was developed in response to solicitation of NAIB views by the National Assn. of Insurance Commissioners' subcommittee to review fire and casualty rating laws and regulations.

The draft, along with pertinent questions pertaining to its content, has been sent to all NAIB member associations, officers, directors, and members of the advisory council. Their replies will be considered at the February governing committee meeting, and subsequently recommendations will be sent to the NAIC subcommittee.

Independent Insurance Agents & Brokers Assn. of Philadelphia & Suburbs has been elected a member of NAIB. An exploratory meeting with other producer groups has been held to consider formation of a national producers' conference.

Mutual of Hartford has elected Reet Schley Jr., chairman of Somerville Trust Co., Somerville, N. J., a director

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# N.Y. Calls Conn. General Life's Plea To Own Insurer 'Absurd'

NEW YORK—Some lively language colors the brief of the New York attorney general answering that of Connecticut General Life in the latter's suit for declaratory judgment to permit it to buy a fire-casualty company, contrary to the position of the New York department.

The state's brief says that the department's refusal to let Connecticut General do what Aetna Life and Travelers are doing is not a denial to

equal protection under the laws and that Connecticut General's contention that there is such a denial is "absurd."

"This position," says the state, "would bind the administrative official to follow his prior exercise of judgment and thereby perpetuate any error committed. Such an imposition on an administrative officer, with its resultant debilitating effect, has been consistently rejected by the courts." The brief contends that the prohi-

bition in section 193(2) of the insurance law against doing a fire-casualty business "remains intact and no amount of semantic distinctions or self-serving statements injecting false issues of due process can enable plaintiff to evade the clear mandate of the insurance law by doing through a subsidiary exactly that which has been forbidden to it."

## Calls Claim 'Specious'

At another point the brief lights into the Connecticut General's contentions with this: "The specious claims of plaintiff that it has been denied protection of the laws and due process of law, and its inapposite citation of authority, cannot sustain its usurpation of the duties and prerogatives of the legislature and the superintendent. As noted above, the superintendent is not bound to follow a prior and possibly erroneous course, to the detriment of the insurance purchasing public of the state, but rather is under a duty to enforce the insurance laws as written."

"That such laws may possibly affect the activity of a foreign corporation which does business in this state (plaintiff's brief, page 38), is also of no consequence. The decision of the Supreme Court in United States vs Southeastern Underwriters Assn., 322 U. S. 533 (1944), which held insurance to be within the federal anti-trust laws, and the requirements of the McCarran-Ferguson act (public law 15, 79th Congress [59 Stat. 33, 15 U.S.C.A. §§1011-1015]) clearly call for the regulation of the business of insurance by the respective states."

"The constitutionality of such regulation with its necessary effect on out-

(CONTINUED ON PAGE 20)

# Significant Gains For National Fire In '59

The annual report of National Fire and its subsidiary, Transcontinental, shows consolidated written premiums of \$65,336,743, an increase of 18.6%. Earned premiums rose from \$56.3 million to \$60,916,955.

The companies recorded a statutory underwriting gain of \$701,308 which compares with \$1,136,883 the year before. However, the unearned premium reserve increased \$4,419,788 in 1959 while it decreased \$1,316,159 in 1958.

Investment income after expenses and exclusive of capital gains and losses was \$4,223,359 last year, compared with \$4,036,598. The net gain from operations after taxes was \$4,083,342 as against \$5,173,481.

## Gross Surplus Noted

Gross surplus amounted to \$73,183,475, an increase of \$7,657,556.

On \$60.9 million of earned premiums, losses incurred were \$30.4 million, loss adjustment expenses \$2.6 million, underwriting expenses \$2.5 million and taxes on underwriting \$2 million, a total of \$60,215,647.

The unearned premium reserve at Dec. 31 was \$59,424,264 and the loss reserve \$14,413,304.

Of the \$155,563,787 of total assets, \$37.2 million are in U. S. government bonds, \$39.6 million in state and municipal bonds, and \$51 million in common stocks. The government bond holdings are down \$4 million, the state and municipals are up \$7.5 million and common stocks are up \$5 million.

National Fire has \$5 million capital (500,000 shares of par \$10), a net surplus of \$38,471,499 and a general contingency reserve of \$29,711,976.

# Texas Mutual Agents Hold Midyear Meeting; Bickley Is Keynote

John S. Bickley, professor of insurance at the University of Texas, was keynote speaker at the midyear meeting at Austin of Texas Assn. of Mutual Insurance Agents. His subject was "The Marketing Evolution."

Other speakers were R. F. Skinner and J. D. Carter, both of Dallas, on "The New Texas Homeowners Policy and Forms from an Underwriter's Viewpoint;" James K. Ruble of San Antonio on the same subject from an agent's viewpoint, and Samuel Lawson of Fort Worth from a loss manager's viewpoint. Mr. Lawson is first loss manager of Millers Mutual Fire of Texas.

Other speakers were J. I. Smith of Houston on "Changes in the Personal Property Floater and Comprehensive Personal Liability;" L. T. Barton of Fort Worth on "Selling the Mercantile Account and What It Means to the Agent;" Bart Hodges of Austin on "How I Avoid Sidetrack on the Sales Track;" and Mrs. Eulalia Baker of Southwestern Bell Telephone on "The Men on My Line."

An open forum was held on the Texas safe driving plan, with J. B. Bankston, past president of the association, serving as moderator, and Herman Begeman, Willis McVey, and Donald O'Brien, staff members of the Texas board, serving as panelists.

John Henry Faulk, humorist, was the luncheon speaker on opening day. He was followed by a movie of scenes around Las Vegas, site of a free holiday trip for the winner of the association's current membership drive.



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## Make Five Changes In Tex. Auto Plan

AUSTIN—Five changes in the Texas safe driving insurance plan, to become effective April 1, were ordered by the board of insurance in a bulletin issued Feb. 5, with informal comment from business leaders indicating that they view the revisions and corrections as of minor importance.

In the meantime the board announced it would consider other possible alterations, many of which were submitted at a public hearing in Austin, Jan. 14-15, when a number of criticisms were voiced, especially by members of the legislature.

The major new change, according to the board, is a revision of the language in the rating information form so as "to make it clear that an insurance company cannot deny coverage because of inaccuracies" in that form. It was added that "this will not prevent the company from collecting such additional premiums as may be due under the true facts, nor from exercising such rights as it may have under the laws of the state to recover damages (from the insured) for fraud, if any."

### Notes Fleet Automobiles

Another change eliminated penalty against a privately owned auto for accidents of a driver in a company car covered by a fleet or experience-rated plan. Another exception eliminates penalty points for accidents to an automobile caused by wild-game animals, but those caused by domestic animals still count.

A fourth change included a provision to prevent points from doubling up on risks insured through the Texas motor vehicle assigned risk plan.

The remaining change was designed to simplify the rating information form.

The main benefits and penalties under the plan remain unchanged, with a maximum rate credit of 20% being given to drivers with a perfect three-year record of no accidents and no moving violations and with penalties ranging up to 100% for six or more points.

## Don't Feed Examiners. Pa. Advises Companies

The Pennsylvania department has pushed through the state executive board a program to give its examiners a flat \$15 a day for hotel and meal expenses. Previously they were limited to \$7 for a room and \$5 for meals daily, except in larger cities where \$9 hotel rooms were permitted.

Robert L. Myers Jr., state banking secretary and member of the executive board, said that Pennsylvania does not want companies picking up checks for examiners' luncheons or dinners. He added that the increased allowance puts Pennsylvania examiners on a par with those from other jurisdictions so that when several groups are examining a company they can have meals together on an equal financial basis.

## Audubon Promotes Several

Audubon of Baton Rouge has made several promotions in the home office. James M. Oates, assistant vice-president, becomes vice-president in charge of all claims operations. He joined the company in 1952. He is currently serving a second term as president of Louisiana Claims Federation.

The claims operations of Audubon

have been expanded with service offices at New Orleans under R. S. Larche, at Lafayette under D. B. Burkhalter, and at Alexandria under H. D. Scott.

Mark H. Souter is advanced to assistant claims manager at the home office. He has been with the company since 1952, starting as an underwriter.

Lynnwood D. Ducote is promoted to assistant treasurer. He had accounting and analyst experience before joining Audubon in 1958.

## Travelers Multiple Line Class Names Its Best Man

Students from the U. S., Canada, Japan and Brazil were among the 27 who attended the multiple line class at Travelers education center. Mason L. Thompson Jr., Kansas City, was chosen by the class as its best insurance salesman.

Robert A. Zoller, Los Angeles, was picked as best all around insurance man; Francis E. Malone, Toledo, as "the man I would prefer to be my insurance agent"; Henry C. Bynum, Sumter, S. C., as the hardest worker;

Dale V. Dalton, Hugo, Okla., as most improved salesman; David C. Knight, Boston, best insurance student, and Charles P. Midgley, Bennettsville, S. C., as the man who made the most progress.

David C. Knight tied with Peter M. Farrand, New York City, for the best marks in examinations.

## Elect Davis President Of Kentucky Surety Assn.

Surety Assn. of Kentucky has elected Robert H. Davis, Employers group, Louisville, president. Other officers are Donald A. Peckham, vice-president; Austin Schall, secretary; and Thomas Rippe, treasurer.

## Beebe To Utah Field

Hartford Fire group has appointed Grant M. Beebe special agent for Utah. The Salt Lake City claims office headed by Frankland J. Kennard has been enlarged, and Mr. Beebe will operate from a service office there. Mr. Beebe joined the company in 1958 and has been on the staff of the Fresno service office since then.

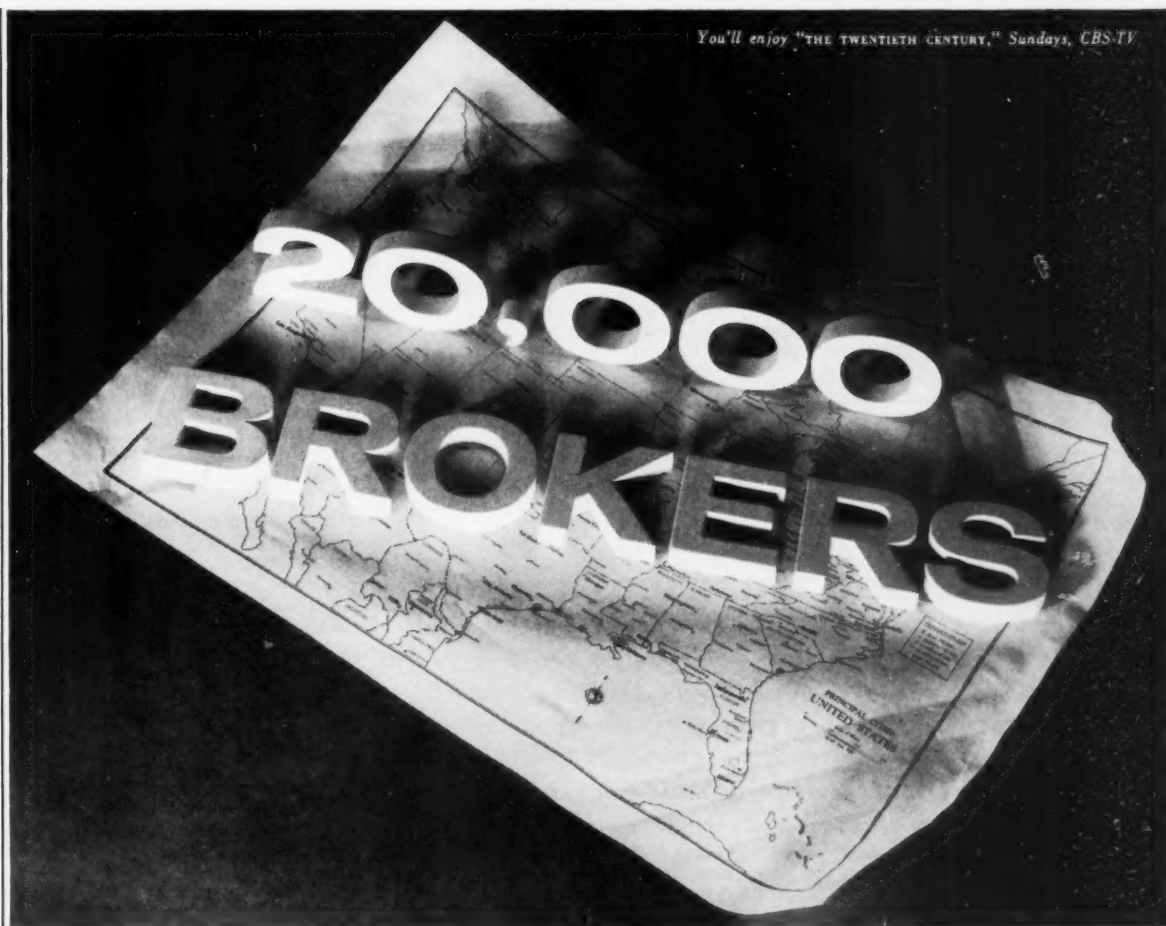
## Interstate F.&C. Shows Big Gains

Interstate Fire & Casualty and its subsidiary, Chicago, show consolidated net 1959 earnings (after taxes and adjusted for increase in equity in unearned premiums) of \$226,094, which compares with \$163,124 the year before. This is equivalent to \$1 a share on the presently outstanding 225,000 shares of Interstate F.&C.

Premiums written increased 22.5% to \$6,541,333. Assets at year-end totaled \$8,007,256 up from \$5,506,531. Surplus increased by \$1,343,275 to \$2,682,539, the more than 100% gain being due to retained earnings and proceeds from a sale of common stock in November.

## Audubon Reports On 1959

Audubon of Baton Rouge in its 1959 statement shows an operating profit before taxes of \$237,063 of which \$178,734 comes from underwriting and \$58,328 from investments. Surplus to policyholders at the end of 1959 was \$1,046,437.



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## Springfield-Monarch In Profitable 1959

The 1959 operations of Springfield F.&M. group showed a profit of \$6,187,411 after taxes. Property and casualty results were the best since 1953, with a statutory underwriting profit of \$1,316,270.

In their joint statement to stockholders, S. Dwight Parker, president of Springfield F.&M., and Frank S. Vanderbrouk, president of Monarch Life, cited consolidated earnings of \$2.88 per common share after taxes and dividends on the preferred stock.

Consolidated premiums written reached a new high of \$95,789,357, and life in force for Monarch Life and Springfield Life was \$547,005,271 at year end. Consolidated assets and capital, surplus and voluntary reserves attained new highs of \$238,621,004 and \$87,082,791, respectively. Assets increased \$15,756,601 during the year and policyholders surplus increased \$9,029,620.

Net investment income from the property and casualty companies was \$3,831,729, including a dividend of \$398,437 paid to Springfield F.&M. by Monarch Life, and consolidated net investment income for all companies was \$4,750,179.

### Other Results

Property and casualty premiums written were \$59,935,741, compared with \$58,952,440 in 1958. The loss and loss adjustment expense ratio to premiums earned was 55.2 and the expense ratio to premiums written was 44.0, for a combined ratio of 99.2, compared with 103.1 the previous year.

A&S premiums were \$25,273,333, compared with \$22,601,720 in 1958, with earned loss and loss adjustment expense ratios of 53.8 and 53.2 in 1959 and 1958, respectively. Life premiums increased \$735,472 to a total of \$10,806,362. Total A&S and life premiums for the year were \$36,079,695.

Messrs. Parker and Vanderbrouk said that substantial progress was made in the consolidation of Springfield and Monarch field offices and other facilities in order to gain further economies from the affiliation of the companies. Major effort was also spent in equipping and training Monarch agents to write property and casualty insurance and Springfield agents to write A&S and life.

## Hartford Accident Makes New England Promotions

Hartford Accident has appointed Champe G. Landgren superintendent of the casualty department of the New England office. He succeeds A. J. Lapsis, recently promoted to underwriting superintendent at the central department office at Cincinnati.

Richard E. Sumpter was named to succeed Mr. Landgren as supervising underwriter, compensation and liability department.

Mr. Landgren joined the company in 1937. He was with the home office staff until 1957 when he was transferred to New England. Mr. Sumpter joined the company in 1957.

## Frost Named At Kansas City By Sayre & Toso-W. B. Brandt

C. W. Frost has been appointed manager of the surplus line department of the Kansas City office of Sayre & Toso-W. B. Brandt & Co. The overall operations of Sayre & Toso-W. B. Brandt at Kansas City, and of Holland-America remain under the direction of Ferdinand A. Hall.

## F.&D. Underwriting Better, Volume Off

Fidelity & Deposit raised its underwriting profit in 1959 to \$3,134,743 from \$1,588,227 in 1958. Net premiums were down by 4.4% to \$18,711,673. Policyholders surplus was \$51,908,057 compared with \$48,624,506.

B. H. Mercer, president, noted in his report that the decrease in writings was due to an anticipated drop in fidelity premiums, resulting from the fact that 1959 was a low year in the three year renewal cycle. Another influence was the decline in awards of contracts for public work.

Losses and loss expenses incurred in 1959 were 25.8% of earned premiums against 32.6% in 1958. Income from investments rose by 3.8%. The company earned \$3,293,157 or \$3.66 a share compared with \$2,511,047 or \$2.79 a share the year before. Assets at the year end were \$81,086,305 against \$78,636,304 in 1958.

The stock was split two for one and a 12½% stock dividend was distributed in 1959. Thereafter a quarterly dividend rate of 50 cents a share was established. Actual payments in 1959, related to the new stock, were \$1.89 a share compared with \$1.78 in 1958.

## Bolles Retires After 43 Years With GAB

Alan S. Bolles has retired from General Adjustment Bureau after 43 years. He was for many years in charge of all non-concurrent appointments for the eastern department. He was a founder of Adjusters Round Table.



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## Attitudes Of Life Agents Do Not Differ Much From Those In Fire And Casualty

Of interest to the local agent and others watching the entrance of fire-casualty companies into the life field is a poll of life agents conducted by Life Insurance Agency Management Assn. The questionnaire inquired about attitudes of agents toward the outlook for the business, problems of coverages, competition, attitude of companies toward agents, and agency morale.

The LIAMA survey of agency opinion was sent for the second year to approximately 5,000 members of National Assn. of Life Underwriters. One-third of them replied.

Thirty-two percent of agents believe it will become harder to earn a living selling life insurance in the next few years. A year ago 25% thought so. New agents—with less than five years' service—continue to be more optimistic than the experienced men.

### Fears Of Competition Wane

The spread of group coverage (employer and association cases) and the increase in group limits continues to be the most frequent reason for pessimism (mentioned by 35%). This reason is not given so often as it was in the previous survey. Fear of competition from casualty and fire companies and brokers selling life insurance and from other life agents is on the wane.

Agents are more worried about developments outside of insurance: Competition from other outlets for investment, such as common stocks, mutual funds, and the like; the effect of inflation on the consumer, increase in social security benefits and coverage, and "increased competition" with no specified source.

The life agent appears to be getting to like the idea of giving a discount for large package cases. In 1958 one agent in 10 mentioned premium graduation by size as a development likely to benefit the public; this year it is mentioned by twice as many.

### A&S Coverage Opportunity Urged

In answer to the question—"Recently a number of companies that wrote only life insurance have begun to write other lines of insurance, do you think this change is desirable or not?"—slightly more than half of the respondents answered "desirable." However, about one-fifth of those who think it is desirable specifically limited their approval to A&S.

Again, four-fifths of the agents think that they should be able to offer their clients A&S coverage. (Apparently many agents do not consider A&S one of the "other lines" referred to.)

Although there are those in the life insurance business who dislike the "discrimination" of preventing life companies from entering the fire and casualty field, while permitting fire-casualty insurers to get into life, only about one agent in four thinks that life agents should offer fire-casualty lines. Low volume producers have a greater tendency than high volume producers to think agents should offer these lines and also to think they should offer A&S.

### Disagree On Future Of Side Lines

Forty-five percent of the agents in the poll think the proportion of income from other lines will increase, 32% of agency managers expect an increase in income from other insur-

ance lines. This is an increase in the number of managers holding this view.

Life agents have a tendency to stay with their original companies: 82% of supervisors and 65% of agency heads currently are under contract with the company they started with, and 87% of full time agents write at least half of their year's business with the company they were with at the start of their careers.

### Influence Increasing

The influence of professionalism is increasing in the life business. Almost six out of 10 agents and the large majority of supervisors and agency heads have taken some formal life insurance education beyond that offered by their companies. The number breaks off sharply among those who have been in the business more than ten years, due to the fact that Life Underwriters Training Council had not been formed when most of these men entered the business. The propor-

tion of men taking Certified Life Underwriter (comparable to CPCU) courses continues to grow.

### Business Coverages Stay Unimportant

Business insurance remains a rather small part of life insurance selling—42% of agents reported that none of their 1959 premiums came from business insurance; one-third reported 1 to 19%, and one-fourth of the agents reported 20% or more came from that source.

The proportion of premiums derived from simple programing (account selling) shows little variation from one length-of-service group to another, or between agents at different production levels. There is a slight suggestion that the men most engaged in simple programing are those with three to five years in the business—indication that simple programing is a transition type of sale for those agents who are going to progress from single needs selling to the more advanced kinds of underwriting.

Estimates of how much business is closed in the prospect's office, home, and the agent's office can be boiled down to some figures such as the

following: About 67% of insurance sales were closed in the prospect's home, 26% in the client's office and 7% in the agent's office. Comparison with last year shows that the proportion of sales closed in the client's or agent's offices is on the increase. As the agent's experience lengthens the percentage of home sales drops considerably.

### Wis. 1752 Club Elects

#### Frank Shaw President

Wisconsin 1752 Club has elected Frank L. Shaw of Threshermen's Mutual president. George Kochheiser of Employers Mutual Casualty has been elected vice-president and E. J. Bohn of West Bend Mutual has been elected secretary-treasurer.

### Cleveland To Ariz. Field

Hartford Accident has appointed O. M. Cleveland special agent at Phoenix, succeeding John D. Cavanah, who has been transferred to San Francisco. In the business 23 years, Mr. Cleveland was a special agent in Arizona for New York Underwriters.



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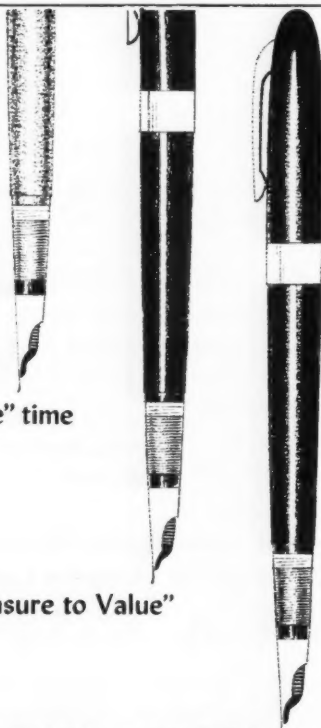


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## Gerber Unit To Hold Second Session March 24

The second meeting of the NAIC subcommittee to review fire and casualty rating laws and regulations will be at Birmingham, Ala., March 24-25 at the Dinkler-Tutwiler Hotel.

Joseph Gerber of Illinois is head of this subcommittee, which is engaging in a serious effort to appraise the rating laws so that the commissioners may have an informed response on their own initiative in support of state regulation.

The subcommittee held its first meeting in Chicago last year shortly before the NAIC winter meeting at Miami Beach. The second meeting is to hear representatives of industry and state insurance departments of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

Those wishing to be heard are asked to send each member of the subcommittee a copy of a written statement dealing specifically with 10 pertinent matters: Aggrieved party, one year deviation provision, provisions concerning rates, rules and forms, the deemer clause, partial subscription, availability of filings for inspection, provision for approval or disapproval to include partial approval or disapproval, notice to rating organizations, any other provisions of the all industry bill that require further study and regulation, and the role of advisory boards, their function in rate making and supervision to be exercised by the states.

It is requested that written statements be in the hands of the subcommittee members by March 15. Those desiring to participate in the hearing are to notify Mr. Gerber at 160 North La Salle Street, Chicago. The other subcommittees are Leggett of Missouri, Hulbert of Utah, Thacher of New York and Parker of Virginia.

## Ind. Legislature To Study Problems Of Oldster Cover

Hearings on the problems of insuring the over-aged and retired will be held March 8 by the joint legislative insurance study committee of the Indiana general assembly, State Sen. J. Russell Townsend Jr., told members of Life Insurance Women's Assn. of Indianapolis at this month's meeting.

The scheduled hearings, to be held in the house of representatives chambers, will be open to the public and include representatives of insurance companies, labor unions, medical groups, and "interested citizens."

Sen. Townsend listed "several rather technical matters" on which his committee will recommend action in the next legislative session:

- (1) Appropriations for the insurance department.
  - (2) Strengthening and redefining investments permitted by law for insurance companies.
  - (3) A law calling for inclusion in the name of any agency, words identifying it as an agency in contrast to a company.
  - (4) A law permitting legislative committees to have access to confidential records, including examination reports, now apparently closed to them.
- He reported that the committee's general survey of the business in Indiana indicates it is in a healthy condition and "a credit to our state in almost all respects."

## Worcester Mutual 1959 Results Good; Gay Joins Company

Worcester Mutual Fire had an underwriting profit in 1959 of \$1,301,124 after allocations of funds to reserve accounts and before dividends to policyholders. The latter amounted to \$1,457,879. Gross premiums were up by 6.4% to \$8,586,885.

The report to policyholders noted that the trend toward all lines selling is being intensified.

At the directors' meeting, Arthur S. Gay was elected agency manager. He was formerly special representative of Central Mutual in New England and before that was with Liberty Mutual from 1948 to 1957. He is past president, past secretary and treasurer, and is presently a director of the Boston chapter of CPCU.

## Dubuque F.&M. Records Underwriting Profit

Dubuque F.&M., one of the companies in the John MacArthur group, operated at a profit last year, with a net income totaling \$322,123 compared with a loss of \$105,018 in 1958. Earnings per share on 132,000 shares were \$2.44 compared with a loss of 79 cents.

The underwriting gain was \$149,627 against a loss of \$225,627, and the combined loss and loss expense ratio was 95.1 compared with 101.9 the year before.

Net premium writings were up \$880,000 to \$4,400,807. The increase amounted to 25%.

Investment earnings, excluding realized and unrealized gains and losses, were \$172,497, a 43% increase. The company ended the year with assets of \$7,927,821, and surplus of \$2,982,025, the latter being a gain of \$245,711.

## Complete Program For Arizona Insurance Day

The property insurance program of Arizona Insurance Day, Feb. 27, at University of Arizona, has been completed. The event is sponsored by the university's business and public administration school.

Gov. Ribicoff of Connecticut will deliver the banquet address on the nationally recognized highway safety program of his state, and Donald P. McHugh, counsel of the U.S. Senate antitrust and monopoly subcommittee, will speak on that group's investigation of insurance.

Other speakers and their subjects will be Shelby W. Darbishire, La Interamericana S.A., "Mexican Property Insurance;" William Leslie Jr., National Bureau of Casualty Underwriters, "Some Thoughts on Today's Automobile Insurance Problems;" John T. Gurash, Meritplan, "Marketing Trends: Views of a Company President;" John Bickley, University of Texas; "Marketing Trends: Views of an Educator;" and David Johnson, Pensacola, president of Florida Assn. of Insurance Agents, "Marketing Trends: Views of an Agent."

## Gibbons Named Claim Manager

Ralph V. Gibbons has been named claim manager for Kemper companies' Louisiana territory. He succeeds the late Charles R. Daniel. Mr. Gibbons has been in claim work for more than 20 years and had both independent and company experience before joining the Kemper organization in 1948 as claim adjuster at New Orleans.



## Results Better For Great American In All Phases In 1959

In a year marked by new records in premiums written, investment income, operating profits, assets and surplus, Great American also reduced its underwriting loss from \$8,219,568 in 1958 to \$269,262 in 1959. Premiums written were up by \$2,419,276 to \$147,290,468. Policyholders surplus reached \$200,724,682, a gain of \$15,541,893. Unearned premium reserve was down to \$100,664,525 from \$101,058,974.

Loss and expense ratio to earned premiums was 61.2 and ratio of other expenses to premiums written was 39.1 compared with 65.2 and 41 in 1958, respectively. Combined ratios were 100.3 against 106.2 the year before.

Investment income was up 7.9% to \$11,728,739. Net income reached \$11,366,555, an increase of \$8,760,669 over 1958. Assets were \$387,871,548, up by \$16,827,824.

### Commentary On Results

In his message to stockholders, William E. Newcomb, chairman and president, noted that fire premiums increased by \$656,652 despite weeding out of unprofitable production sources and the conversion of a substantial volume to package policies. Auto premiums decreased and a more desirable balance in the ratio of auto business to other lines was achieved. Experience on auto improved through rigid economies, selective underwriting and revised rating formulas.

Mr. Newcomb referred to the intense competition for homeowners

business. Premium levels have not as yet been stabilized and this will probably narrow profit opportunity in the future. Nevertheless, Great American's reasonable price policy on homeowners should lead to a continued substantial volume.

### A&S Strengthened In 1959

The company strengthened its A&S department in 1959 and introduced a number of new competitive forms. Workmen's compensation was unprofitable and rate increases are needed, Mr. Newcomb stated.

## Four Mich. 1752 Club Clinics Are Popular

Four one-day information clinics sponsored by Michigan 1752 Club drew 255 agents. The meetings were held at Detroit, Frankenmuth, Grand Rapids, and Marshall.

Dale Faux, resident vice-president Shelby Mutual, spoke on the special auto policy, and Roger Sullivan, state agent of Michigan Mutual Auto examined the new comprehensive personal liability policy. The 1752 Club plans to conduct similar clinics and the new

## Pritchard Advanced By Pacific Of N. Y.

Pacific of New York has appointed George Pritchard assistant secretary. He joined the company in 1954 as a casualty underwriter. Mr. Pritchard started his career in 1938 in casualty underwriting with Accident & Casualty. From 1946 to 1954 he was an automobile underwriter with U. S. Casualty.

revised homeowners plan is being considered for discussion.

## Reserve Of Chicago To Sell New Stock

Reserve of Chicago has filed with the SEC a registration of 70,000 shares of stock of which 30,676 are to be offered for public sale and 39,324 are to be sold by present holders. The price is not stated. Walter C. Gorey and four other brokerage houses are named as underwriters.

Reserve has 257,324 shares outstanding. Proceeds from the sale of the 30,676 shares will be put into surplus. The company intends to do business in Massachusetts, New Jersey, Pennsylvania and Rhode Island, and is considering the sale of Summit Fidelity & Surety, which specializes in the writing of court bonds and which was acquired in 1956.

Among the stockholders who are selling some of their holdings is Allan S. Blank, president, who owns 32,314 shares and is proposing to sell 9,701.

## American Credit Promotes

American Credit Indemnity has appointed Charles E. Handsaker manager and Marshall F. Rush Sr. state agent at the agency department in Newark.

Mr. Handsaker joined the company in 1956 and has been special agent in New York. Mr. Rush has been with the company since 1941. He was at Chicago before his transfer to Newark in 1946.

Buffalo Claims Council elected Harry Baskerville, Home Indemnity, president; William Quigley, Hardware Mutuals of Stevens Point, vice-president; and Norman McDonald, General Accident, secretary-treasurer.



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## Better Results For Standard Accident In 1959; Auto Still Bad

Consolidated indicated net earnings of \$3.41 per share in 1959 for Standard Accident and Planet were an improvement of \$6.25 per share compared with the loss in 1958 of \$2.84 per share. The earnings include the increased equity in the unearned premium reserve but

do not include the nearly \$1 per share earned in 1959 by Pilot, the Canadian subsidiary.

Standard Accident's policyholders surplus was \$30,661,297 at Dec. 31, an increase of \$758,027. This increase reflects earnings of \$488,353 from Pilot and an unrealized gain of \$898,739 on stocks owned.

There was an indicated underwriting loss of 2.4% in 1959, a substantial improvement over the loss of 6.8% in 1958. The ratio of losses and loss expenses incurred to earned premiums was 63.6% in 1959, compared with 66.1% in 1958.

and the ratio of underwriting expenses to written premiums was 38.8% compared with 40.7%. The total underwriting loss, including profit on special reinsurance, was \$2,618,718 compared with a loss of \$4,413,096 in 1958.

Net premiums of \$70,625,410, excluding special reinsurance accepted, were written in 1959, an increase of 5.7%. The premium volume comprised 38.5% automobile, 34.9% other casualty, 18.9% fire and marine, and 7.7% bonds.

Investment earnings were \$2,902,159, (CONTINUED ON PAGE 28)

## Royal-Globe Shows Underwriting Gain, Broad Improvements

Royal-Globe emerged from the red in underwriting in 1959 with a profit of \$4,807,999 compared with a loss of \$3,444,139 in 1958. Premiums written increased by \$12,582,157 to \$234,161,564. Group assets rose more than \$20 million to \$553,688,392. Policyholders surplus was \$221,315,117, up more than \$9.5 million.

The group had an underwriting gain of \$7,474,857 on fire and marine operations compared with one of \$4,448,010 the year before. Written premiums were \$106,087,667. Unearned premium reserve declined \$897,712. Incurred to earned loss and adjustment expense ratio was 52.39 and the ratio of other underwriting expenses and taxes incurred to written premiums was 40.96, compared with 55.32 and 42.96 in 1958, respectively.

In casualty, the group had an underwriting loss of \$2,666,858, against a loss of \$7,892,149 in 1958. Written premiums were \$128,073,897, with a \$3,184,389 increase in unearned premium reserve. Incurred to earned loss and adjustment expense ratio was 67.85 and the ratio of other underwriting expenses and taxes incurred to written premiums was 33.43 compared with 72.22 and 34.94 in 1958, respectively.

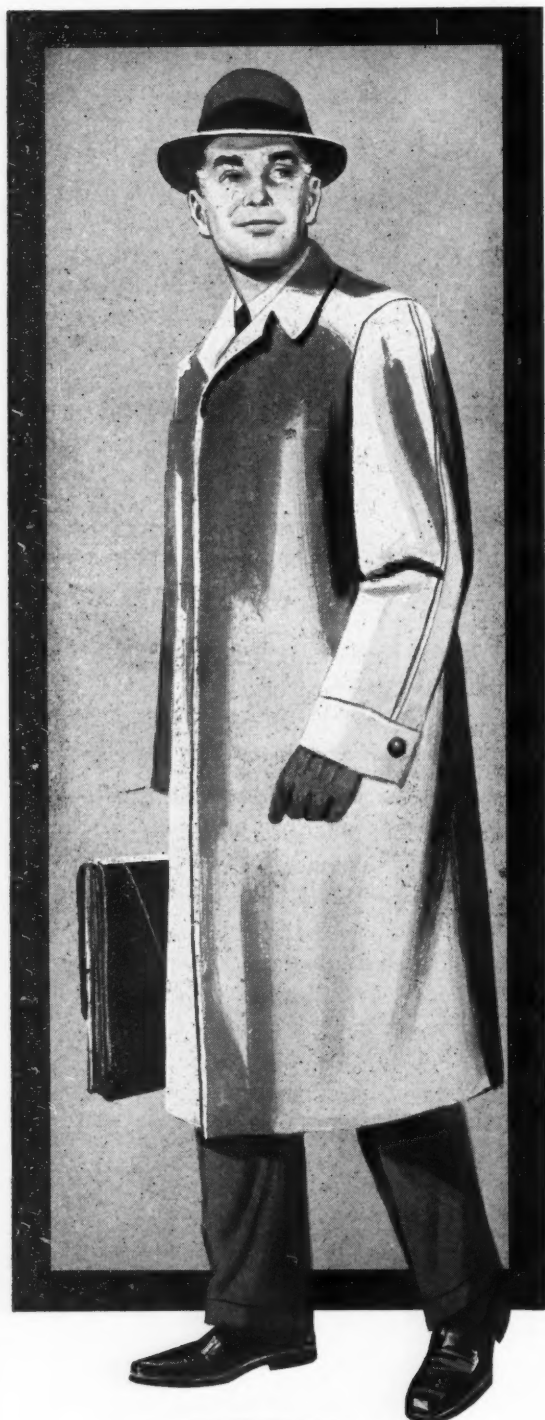
For all lines the respective ratios were 97.56 in 1959 compared with 102.97 in 1958.

Investment income was up \$194,481 to \$14,044,170. Net operating profit was \$18,852,169, a gain of \$8,446,619 over 1958.

## Cal. Brokers Discuss Solicitation Practices

The practice of some lending institutions of soliciting renewals of other producers' policies on property in which they hold an interest and the alleged bidding by some life companies for the life and A&S business of the Western Conference of Teamsters on a no-commission basis shared attention at the January meeting of the board of governors of Insurance Brokers Exchange of California.

IBEC hopes that a new article added last year to the state insurance code may be precise enough to permit the California department to charge "unfair practices" where lenders "misuse expiration dates" and solicit the renewal business of other producers.



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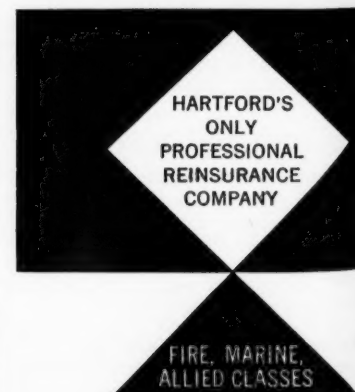
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## Trinity Universal Premiums In 1959 Near \$30 Million

Substantial gains in 1959 were reported at the stockholders meeting of Trinity Universal and Security National of Dallas.

Gordon S. Yeagan, president, announced increases in premium income, investment income, assets, reserves and surplus.

Net premiums written in 1959 reached \$29,391,506, an increase of 6.9% over 1958. Investment income and capital gains totaled \$2,008,332.

Consolidated assets were \$50,664,341, an increase of \$5,312,686.

Surplus to policyholders increased by \$1,131,097 to \$15,153,889.

## Tex. Agents' Assns. Name New Officers

New officers of local associations recently reported to Texas Assn. of Insurance Agents are:

Austin Assn. of Insurance Agents: Pat Adelman, president and Edward E. Shelton executive secretary. Baytown Insurance Exchange: Steele McDonald, president; A. C. Chaddick, vice-president; Odena Childers, secretary. Corsicana Insurance Exchange: Clark E. Butler, president; King Elliott, vice-president; Gabe Goldberg, secretary. Denton Assn. of Insurance Agents: Fred L. Dendy, president; Edward White, vice-president; Knox Rhea, secretary-treasurer.

Longview Assn. of Insurance Agents: Harold Turner, president; Leroy Zeigler, vice-president; Talmadge Booth, secretary. Port Arthur Insurance Exchange: Charles M. Wiesen, president; Carl Carter, vice-president; E. E. Stuckey III, secretary and treasurer; Mrs. Pansy Cannon, executive secretary. San Angelo Assn. of Independent Insurance Agents: Jack McGregor, president; Joe Wunderl, vice-president; Bernard Trimble, secretary.

Independent Insurance Agents Assn. of San Marcos: Mark Whittenberg, president; Joe Holleran, vice-president; Donald E. Ennis, secretary. Tyler Assn. of Insurance Agents: Julius L. Bergfeld, president; Albert E. Saleh, vice-president; Jerry R. Shelton, secretary. Waco Assn. of Independent Insurance Agents: E. C. Robinson, president; Tom Jackson, vice-president; George Bone, secretary. Independent Insurance Agents Assn. of Wichita Falls: George R. Keith, Jr., president and Miss Winnie Foster, secretary.

## White Agency In Life

David C. White agency of New York has formed David C. White Life Associates which has been appointed general agency by Gotham Life. William J. Rogers has joined the new affiliate as vice-president. He has been an agent of Prudential, general agent of Colonial Life, and most recently a pension consultant with Fund Administrators of New Jersey, specialists in health and welfare plans for unions.

## Rudibaugh Marks 50 Years

Youngstown Assn. of Insurance Agents honored C. C. Rudibaugh with a dinner on the occasion of his 50th anniversary in insurance. The affair was attended by 81 agents and field men. Donald Pipino, president of the Youngstown association, was master of ceremonies, and Forrest H. Witmeyer, president Excelsior, gave a talk

on Mr. Rudibaugh's experiences in the business. C. L. Jones, on behalf of the agents, presented Mr. Rudibaugh with a plaque.

Mr. Rudibaugh started in insurance as a local agent at Youngstown in 1910. He is a past president of Youngstown Assn. of Insurance Agents, serving in that position in 1925 and 1931 and he served also in 1931 as president of Ohio Assn. of Insurance Agents.

The evening before the banquet, Mr. Rudibaugh was guest of honor at a dinner given by his family and office associates.

## Cite St. Paul F. & M. For Excellent Management

St. Paul F.&M. has again received the excellent management award of American Institute of Management.

The company was particularly cited for careful foresight which distinguishes excellent from routinely good management. It was found to be strong in executive evaluation, corporate structure, earnings, service to stockholders, research and development, directorate analysis, fiscal policies, operating efficiency and sales vigor

## New Amsterdam Raises Sandberg At Chicago

New Amsterdam Casualty has advanced C. A. Sandberg from assistant manager to resident manager at Chicago. Mr. Sandberg joined the company there in 1933 and has had underwriting, production and administrative experience. He continues to be associated with H. N. Douglass, resident vice-president.

and in steady advances into new fields, including insurance of nuclear reactors.

One of a Series

**now! BOSTON is nearer... wherever you are!**

JOHN S. PEARCE, San Francisco Regional Manager (standing at right) with (l. to r. seated in foreground) RICHARD A. RYAN, Superintendent, Loss Dept.; BERNARD A. MADDOCK, Office Manager; and (l. to r. seated in background) WILLIAM E. DEPUY, San Francisco Asst. Manager; WILLIAM M. PENNOCK, Senior Fire Underwriter; ARNOLD B. GOOD, Special Agent, Boise, Idaho; JAMES F. FAYEN, Manager, Ocean Marine Dept.; PEYTON R. WISE, State Agent, San Jose, Calif.; W. C. NEEDHAM, Special Agent, Sacramento, Calif.; WINDSOR A. BROWN, Manager, Inland Marine Dept.; CHESTER K. AMES, Ocean Marine Dept.; and (l. to r. standing) FRANK T. ROBINSON, Special Agent, Portland, Oregon; DAVID S. BURDEN, Special Agent, San Francisco.

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management of an organization that maintains a long tradition of integrity and dependability. It is an approach which today benefits more than 8,000 Independent Insurance Agents, writing in all fifty States, the Commonwealth of Puerto Rico, Virgin Islands and Canada... and in foreign countries through our foreign department, the American Foreign Insurance Association. You too can take advantage of the superior service Boston brings to your area. For complete details, contact your Boston Group Local Office.



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## Nw Mutual Showed Improvement In '59

Steady progress toward a restored balance in underwriting results was reported in 1959 by Northwestern Mutual. Fire losses, even though still at a record, were stabilized to some extent. Automobile insurance premium income has edged up, but has not yet come into alignment with climbing automobile liability and collision claims.

Net premiums written for the year

were \$59,558,046, an increase of 9% over 1958, and dividends to policyholders amounted to \$4,565,632. Assets were increased to \$88,432,524 and \$2,544,062 was added to policyholders' surplus. Loss payments in 1959 were \$24,373,212.

Five of the top 10 states in premiums are east of the Rockies. Texas ranked third, exceeded only by Washington and California.

A special report was presented on the Roseburg, Ore., disaster of last July. Northwestern Mutual's loss payments to Roseburg residents and business men

have totaled \$228,603 and 90% were being processed for payment within 15 days after the explosion.

## Baltimore Adjusters Elect Brinkman President

Baltimore Insurance Adjusters Assn. has elected Ernest W. Brinkman, America Fore Loyalty group, president. Other officers are William A. Higgins, Calvert Fire, vice-president; Shelton D. Bosley, Leisure Associates, secretary, and Edward L. Meister Jr., Home, treasurer.

## NAMIA Midyear Strong On Selling

Competition and selling are the themes of the midyear meeting of National Assn. of Mutual Insurance Agents at Las Vegas, March 28-30.

Directors at their meeting on March 27 will review committee projects. Registration begins on Monday morning with Charles C. McClung, president of the California association, leading the host state delegation as a welcoming committee. Advance registrations indicate an attendance of approximately 500.

James C. O'Connor, executive editor FC&S Bulletins, the keynote speaker, will address the group on Monday afternoon on "Competition—the Challenge of the '60s." Earl A. Lamb of New York City and Otto F. Lee of Harleysville Mutual, chairman and vice-chairman of the company-agents committee, will describe the projects of this group at the business meeting that afternoon.

Paul A. Hammel, Nevada commissioner and president of National Assn. of Insurance Commissioners, will speak Tuesday morning on industry changes and their challenge to state regulation. John H. Bolton, Los Angeles attorney, will pinpoint the challenge to agencies, arising from their responsibilities to their clients. Albert H. Wood, executive director of Western Insurance Information Service, will describe the necessity of presenting a proper image of the business to the public. J. H. Crawford, Atlanta adjuster, will interpret problems from an adjuster's standpoint.

### Other Features

Jack Schwartz of Los Angeles, specialist in telephone communication, will demonstrate its effectiveness. His presentation includes a testimonial by long distance from Salt Lake City, by a bedridden paralytic who sells by telephone.

The five vice-presidents of NAMIA, each a successful producer from a different section of the country, will list individual plans for substantially increasing premium volume in 1960.

The company-agents committee will hold its meeting on Wednesday afternoon with Mr. Lamb presiding.

Mutual Company Managers Assn. of California has scheduled its meeting to coincide with that of NAMIA. Carroll Diebold of Pennsylvania Lumbermen's Mutual is chairman. Charles H. Fierce of Oregon Mutual is serving as vice-chairman with Mr. McClung.

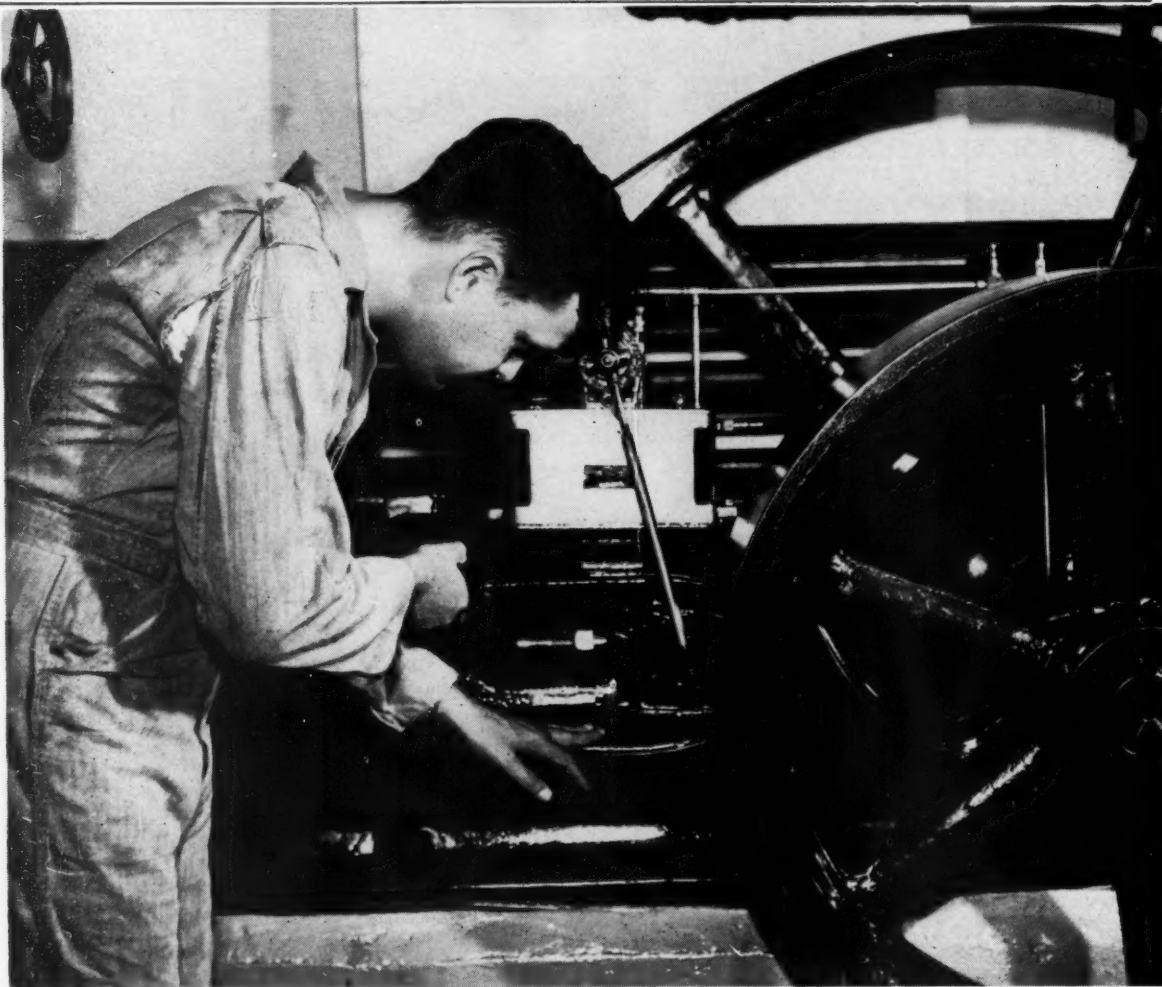
## Ohio Farmers Promotes Eastman, Wilder At HO

Ohio Farmers companies have promoted Harold V. Eastman to assistant comptroller and Donald M. Wilder to chief accountant and cashier.

Mr. Eastman joined Ohio Farmers in 1955 as accounting manager for the Pacific Coast department and in 1957 was transferred to the home office as methods analyst in the comptroller's office.

Mr. Wilder has been with Ohio Farmers since 1948. He started in the statistical department and was transferred to the cashier's department in 1951.

Zurich's Meritmatic auto coverage in Michigan is now being written at lower rates. Michigan was the first state to approve the Meritmatic policy on which the company reports a renewal ratio exceeding 90% with more than 33% of new business coming from former direct writer accounts.



## The \$70,000,000 Opportunity

It's all over the country . . . a big opportunity for the independent agent.

If you're an Employers' Group Agent . . . the Man with the Plan . . . you have an advantage that's as big as the opportunity. You're backed by a nation-wide group of experienced engineers, field men and underwriters, who work with you as a team. They make it easy for you to capitalize on profitable Steam Boiler and Machinery insurance. They work for you on analysis, plant surveys, inspections and losses. They know the answers to questions a client asks about the equipment to be covered and the important protection for both Direct and Indirect Damage.

Now, with new plants springing up all over the country, the opportunity is bigger than ever. And it doesn't matter about the size of the plant. All manufacturing plants, big and small, old and new, need Steam Boiler and Machinery Insurance.

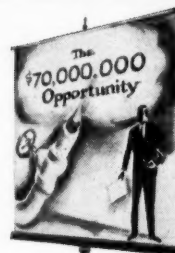
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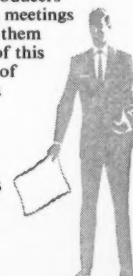
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### THE SHOW IS ON THE ROAD

During 1960 informative meetings will be held with our producers throughout the country, meetings which will better equip them to take full advantage of this opportunity. A feature of these meetings will be a film strip in color.





## Volk Named President, Patrick Executive V-P Of Southwestern F.&C.

Southwestern F.&C. has appointed Harold F. Volk president and Erle C. Patrick executive vice-president. Mr. Volk succeeds the late S. Foster Yancey, who founded the company in 1948.

Mr. Volk has been vice-president and a director since the company's inception. He is also president of Volk Bros. department store of Dallas.

Mr. Patrick is manager of T. A. Manning & Sons, which operates Southwestern F.&C., and has been with the general agency since 1932. He has been vice-president of Southwestern F.&C. since 1952.

## Tenn. Agents Revise Group Plan, Have Modern Billing

Insurers of Tennessee has revised its group program for members to include major medical. The new plan can cover under three schedules all active partners, owners and officers, devoting a substantial part of their time to the agency; full time office solicitors, brokers and department heads; and all other full time employees.

Life and basic medical can be provided for all the foregoing persons. Major medical is not available for the category of "all other full time employees." The organization has adopted an IBM billing procedure in connection with the plan.

## Zurich Names Giblin

Richard C. Giblin has been appointed sales representative at Omaha by Zurich. Mr. Giblin, with 14 years experience in the business, is well acquainted with agents in the state.

## HO Stalled In Wash.

Filing of the 1959 homeowners in Washington has been delayed because of disagreement over the rate level. Some of the leading writers in the state, including the domestic companies, oppose the sharp reductions in rates.

The pattern of the filing in some of the other states, and as it is planned for Washington, also has brought a pro-

test from agents. One of the points at issue is the fact that the rates are predicated on a reduced production cost factor of 20%. Regardless of whether pro rata cancelling and re-writing is permitted, the agents feel they will be forced to go to the expense of cancelling and rewriting at lower rates and they will be burdened with the lower commission scale while obliged to deal with two different commission rates in the process. For years to come there will be a peak volume of homeowners business up for renewal at the anniversary of the filing.

## Bill To Abolish N. Y. State Fund, Create WC Assigned Risks

A bill to liquidate the state insurance fund and establish an assigned risk plan for workmen's compensation has been introduced in New York.

The state fund would be prohibited from accepting new business after Jan. 1, 1961. The state fund commissioner would be required to provide orderly liquidation, and the superintendent of insurance, after consulting with WC

and disability benefit insurers, would approve a plan for equitable apportionment of applicants who are unable to get coverage through ordinary channels. All insurers would be required to participate in the WC assigned risk plan.

Another bill seeks to establish a seven-member commission to study the operation of the fund and its competitive position in relation to private insurers.

Zurich has moved its Denver branch office to 300 East Speer Boulevard.



Strange but true—you can build employee dishonesty coverage into a top-flight premium producer. Here are just a few reasons why: ● More than \$500,000,000 is lost annually through employee dishonesty, yet this field of protection is *still* undeveloped. ● More and more publicity on these losses pre-sells prospects for you . . . makes management aware of the need for employee bonding. ● And, in meeting the bonding needs of your assureds, you accomplish many things. ● You protect your client from the big loss which could leave his business insolvent. ● You get closer to your client, learn more about his business and its total insurance needs. ● You protect your competitive position by selling your client fidelity coverage *before* someone else does. ● Too, you broaden the base of agency income by realizing on the great, untapped potential of fidelity bonds!

Specialists in each and every line can help you sell *more* "across the board"!

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\*We had to make it rhyme!

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## Conventions

Feb. 22, West Virginia 1-Day, Daniel Boone Hotel, Charleston.

Feb. 22-24, National Assn. of Surety Bond Producers, annual, Boca Raton Hotel, Boca Raton, Fla.

March 3-4, Washington agents, midyear, Marcus Whitman Hotel, Walla Walla.

March 8, Pittsburgh 1-Day, Hilton Hotel, Pittsburgh.

March 10-11, Conference of Mutual Casualty Companies, underwriting meeting, Conrad Hilton Hotel, Chicago.

March 10-12, Tri-State mutual agents of Pennsylvania, Maryland and Delaware, annual, Pittsburgh Hilton Hotel, Pittsburgh.

March 11, District of Columbia 1-Day, Mayflower Hotel, Washington, D. C.

March 15, New Jersey agents, midyear, Stacy Trent Hotel, Trenton.

March 17-18, Ohio mutual agents, annual, Manager Hotel, Cleveland.

March 21, Rhode Island agents, midyear, Sheraton Biltmore Hotel, Providence.

March 27-29, National Assn. of Insurance Agents, Southern territorial conference, Arlington Hotel, Hot Springs, Ark.

March 28-30, National Assn. of Mutual Insurance Agents, midyear, Flamingo Hotel, Las Vegas.

March 30-31, Pacific Insurance & Surety Conference, annual, Riviera Hotel, Palm Springs.

April 1, Pacific Coast Advisory Assn., annual, Riviera Hotel, Palm Springs.

April 1, Eastern Agents Conference of NAIA, Sheraton Plaza Hotel, Boston.

April 1, Ohio Assn. of Independent Adjusters, midyear, Deshler-Hilton Hotel, Columbus.

April 6, New Hampshire agents, midyear, Manchester Country Club, Manchester.

April 7-8, National Assn. of Casualty & Surety Agents, midyear, St. Anthony Hotel, San Antonio.

April 7-9, Assn. of Insurance Attorneys, annual, Park Plaza Hotel, St. Louis.

April 10-12, Mississippi mutual agents, annual, Buena Vista Hotel, Biloxi.

April 23-27, National Assn. of Insurance Agents—National Board of State Directors, midyear, and Midwest territorial conference, Netherland Hilton Hotel, Cincinnati.

April 24-26, Florida mutual agents, annual, Fort Harrison Hotel, Clearwater.

April 27, Insurance Brokers' Assn. of State of New York, annual luncheon, Pierre Hotel, New York City.

April 28-29, Southern Claims Conference, annual, Statler Hilton Hotel, Dallas.

May 1-3, Iowa agents, annual, Blackhawk Hotel, Davenport.

May 2-3, Minnesota mutual agents, midyear, Pick-Nicollet Hotel, Minneapolis.

May 5-6, Conference of Mutual Casualty Companies, claims meeting, Conrad Hilton Hotel, Chicago.

May 8-10, Alabama agents, annual, Stafford Hotel, Tuscaloosa.

May 8-10, Pennsylvania agents, annual, Hotel Hershey, Hershey.

May 9, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach Hotel, Chicago.

May 9-11, American Mutual Insurance Alliance, annual, Edgewater Beach Hotel, Chicago.

May 9-11, National Assn. of Independent Insurance Adjusters, annual, Broadmoor Hotel, Colorado Springs.

May 9-12, National Assn. of Insurance Brokers, annual, Ambassador Hotel, Chicago.

May 10, Assn. of Casualty & Surety Companies, annual, New York.

May 10-12, National Assn. of Insurance Commissioners, Zone V spring meeting, Biltmore Hotel, Oklahoma City.

May 12, National Independent Statistical Service, annual, La Salle Hotel, Chicago.

May 13-14, Mountain States mutual agents, annual, Antlers Hotel, Colorado Springs.

May 13-14, Oklahoma agents, annual, Hotel Tulsa, Tulsa.

May 15-17, Virginia & District of Columbia mutual agents, annual, Shoreham Hotel, Washington, D. C.

May 15-18, New York agents, annual, Concord Hotel, Kiamesha Lake.

May 15-18, North Carolina agents, annual, Carolina Hotel, Pinehurst.

May 16, Vermont agents, spring meeting, Woodstock Inn Woodstock.

May 16-18, Health Insurance Assn., annual, Statler Hilton Hotel, Dallas.

May 16-18, Insurance Accounting & Statistical Assn., annual, Sherman Hotel, Chicago.

May 17-18, Illinois Bureau of Casualty Insurers, annual, St. Nicholas Hotel, Springfield.

May 19-20, Central Claim Executives Assn., spring meeting, Lake Lawn Lodge, Delavan, Wis.

May 19-20, Arkansas agents, annual, Arlington Hotel, Hot Springs.

May 19-21, Texas agents, annual, Austin Hotel, Austin.

May 25-27, National Assn. of Independent Insurers, workshop, Jack Tar Hotel, San Francisco.

May 26, National Board of Fire Underwriters, annual, Commodore Hotel, New York.

May 29-June 1, American Assn. of Managing General Agents, annual, Sea Island, Ga.



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## Home Raises Wherry, Distel And Seawell In Pacific Department

Home has advanced S. E. Wherry, production manager in the Pacific department since 1958, to secretary at San Francisco; Frank Distel, general manager in southern California, to secretary at Los Angeles; and George A. Seawell, general manager of fire operations at San Francisco, to assistant secretary there.

Mr. Wherry, who has been with Home since 1930, has had field and production experience in the eastern, midwestern and Pacific territories. In 1940 he was made manager at Los Angeles.

Mr. Distel joined Home in 1931. Later he was transferred to Phoenix, where he subsequently became manager. In 1958 he was appointed general manager in charge of southern California. Mr. Seawell joined the company at San Francisco in 1938.

## Anglo-American Award Put On Two Way Basis

Ben D. Cooke, president of Agency Managers Ltd. revealed at the annual faculty dinner of the school of Insurance Society of New York that his firm's Anglo-American fellowship program will be extended.

Under the present program which is conducted by the society, the annual winner of the fellowship in the U. S. receives a six-week tour of the London market. Now, B. D. Cooke & Partners of London will sponsor a similar visit to the U. S. by an English student to be chosen by Britain's Chartered Insurance Institute.

The faculty dinner, held at the Drug & Chemical Club in New York, was attended by Superintendent Thacher of New York; Arthur C. Goerlich, president of the society; A. Leslie Leonard, dean of the school; Alan O. Robinson, president of Yorkshire and chairman of the society; and about 150 executives.

## Illinois Service Bureau Opens Milwaukee Unit

Illinois Service Bureau, with headquarters at Chicago, has opened an office in Milwaukee under the name of Universal Service Bureau. Two other branches, in Detroit and Indianapolis, also bear this name. Robert Gilmore has been named manager of the new office. He has been with Illinois Service Bureau for three years and in the inspection business for almost 11 years.

## Andrews & Evans Now Part Of Glens Falls

Andrews & Evans, Brooklyn agency, is integrating its operations March 1 with Glens Falls at 161 William Street, New York. O. G. Casey, operating head of the agency, will become manager of Glens Falls' New York metropolitan special brokerage department. The staff of the agency will become Glens Falls employees and will serve brokers now doing business with Andrews & Evans.

## Premium Tax Bill In Mich.

LANSING—Sen. Rahoi has reintroduced in the Michigan legislature a bill proposing to increase premium taxes on foreign and alien insurers, except life companies.

His measure is believed to duplicate

provisions of a bill he has sponsored previously without success. It would boost the tax on casualty, surety and fidelity premiums from 2% to 4% and that on fire, marine, and auto from 3% to 5%.

The state treasurer would be required to return half of the casualty tax receipts to cities, villages and townships having full time police or fire departments and 40% of receipts from the levy on fire premiums. The former would go to support police pensions and the latter firemen's pensions.

## Underwriters Salvage To Enter Auto Field In N. Y.

Underwriters Salvage of New York is to extend its operations into the automobile salvage field. Tentative date set for opening three depots in the New York metropolitan area is April 15.

The operation will be in charge of Henry T. Ferguson, recently appointed manager of the automobile department for eastern states. He joined Underwriters Salvage in 1950 and was an inventory man and New York spe-

## American Casualty Names Two At Los Angeles, D. C.

American Casualty has promoted Loren D. Ward, group A&S production manager at Los Angeles, to health insurance manager there. Davis F. McAdoo, home office producer, has been promoted to health insurance manager at Washington, D. C.

cial agent.

Plans are to open depots to cover New York City and suburbs, northern New Jersey and southern Connecticut.



## Desk work got you tied down?

*Just S-O-S for the Man from "Ag" . . .  
the company that's Strong On Service!*

If routine paper work has you spending too much time on your problems — and not enough on your client's — get in touch with the "Ag" Man.

Because he works closely with many different agents, the "Ag" Man is in a unique position to learn the important "ins" and "outs" of agency procedure. He can often suggest ways to eliminate needless detail, and afford you valuable extra time for your clients and prospects.

For the kind of help that can lighten your work load, and fatten your pay load, SOS for the Man from "Ag" . . . the Company that's Strong On Service.

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As a quality agent, I could be interested in teaming up with a quality company. Let's have the details without obligation.

Name .....

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Address .....

City & State .....



For a Winning Combination TEAM UP with "AG"!

## State Farm's Dallas Office Decentralized

State Farm's Dallas regional office will gain autonomy July 1 under the company's management decentralization program. Earle B. Johnson, currently regional agency director, will head the new operation as regional vice-president. His deputy regional vice-presidents will be Sumner Roberts, resident vice-president of the Texas office since 1952, and O. A. Edgeworth, assistant Texas state director. R. H. Rhamey, Texas state di-

rector for State Farm since 1937, will become director of education and training for the region, which also includes Oklahoma and New Mexico.

### Combined At Regional Level

Agency and operational authority are combined at the regional level under State Farm's decentralization plan, which also includes establishment of State Farm Life and State Farm Fire & Casualty units in each office. Eight of State Farm's 16 regional offices have already been converted under the plan.

## Timely Topics On Card Of Surety Producers

Current developments of major interest to the surety business and to the construction industry will be reviewed at National Assn. of Surety Bond Producers' annual meeting at Boca Raton, Fla., Feb. 22-24.

At the opening session Warren N. Gaffney, general manager of Surety Assn. of America, will discuss contract bond developments in relation to the national economy. Commissioner Hamel of Nevada, president National

Assn. of Insurance Commissioners, will discuss "Yesterday, Today and Tomorrow." Other first day speakers are John A. Volpe, vice-president of Associated General Contractors of America, and Porter Ellis, Dallas, vice-president of National Assn. of Insurance Agents.

### Other Features

At the Tuesday morning session, speakers will be Clifford S. Nelson, vice-president Continental Illinois National Bank & Trust Co., Chicago, on "Adventures in Construction Financing," and Donald H. Denton, Charlotte, N. C., first vice-president of the host organization, on the 1960 surety bond producer. Nathan Mobley, executive vice-president Federal and president of National Assn. of Casualty & Surety Executives, and Walter M. Sheldon, executive vice-president of W. A. Alexander & Co., Chicago, and president of National Assn. of Casualty & Surety Agents, will also speak.

Directors of the association will meet on the afternoon of Feb. 21 and the morning of Feb. 24. Sessions open to the membership only will be held on the afternoons of Feb. 22 and 23, with the closing session featured by a report by Ralph Neely, Oklahoma City, president, and by committee reports and election of officers.

## Stock Insurers Revise Auto Rates In Wyo., Ark.

National Bureau has increased Wyoming private passenger liability rates 14.8%; commercial cars 5.9%, and garage risks 2.4%.

National Automobile Underwriters Assn. has reduced Arkansas private passenger \$50 deductible rates 18%, and \$100 deductible rates 4%. Because of improved experience on commercial risks, there are some reductions for fire coverage. Collision rates on cars operated within a 50-mile radius are reduced approximately 15%.

## Minn. PR Group Elects

Minnesota Insurance Information Service has elected Felix F. Rondeau, Mutual Service group, president. Others named at the annual meeting in Minneapolis last week are: Vice-presidents, R. R. Wilson, Casualty Underwriters; H. E. Atwood, Northwestern National Life, and R. M. Hubbs, St. Paul F.&M. Charles S. Laidlaw Sr., Minnesota Mutual F.&C., was named secretary, and John J. Husic, American Hardware Mutual, treasurer. The retiring president, T. Parker Lowe, Anchor Casualty, becomes chairman. MIIS has a membership of 30 domestic companies.

# Right from the start you're a key man!



To properly protect his first major possession and the others he'll accumulate through life, your neighbor needs you—the Independent Insurance Agent—as a permanent **PARTNER IN SECURITY**. That's America Fore Loyalty's national advertising message going into more than 70% of the better homes in your community and every community during the month of February—through leading national magazines.



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Nothing—absolutely nothing—shall mar or damage your first new car. It's a good way to feel, not only about what you own now, but also about other major possessions you'll accumulate in life: home, furnishings, and savings. You'll want to guard them well and protect your start. The best and surest way to do this is through insurance.

To be sure that your protection fits properly, you need a competent insurance man to advise you. He is the America Fore Loyalty agent right in your neighborhood. Make him your **PARTNER IN SECURITY** now ahead. For his name call Western Union by number and ask for Operator 25.

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**America Fore Loyalty Group**



## 350 On Hand For Annual Meeting Of Ohio Farmers

The annual meeting and school of insurance of Ohio Farmers was conducted last week at the home office in LeRoy. Approximately 350 local agents were on hand, as were Vance Hines, vice-president and eastern manager; Dana L. Jones, vice-president and Pacific Coast manager; Douglas R. Olson, northern California manager; Burt Hiller, vice-president, and Irvin Swinehart, agency superintendent, of the Penn agency, general agents of Milwaukee.

Art Dannecker, director of advertising and public relations, presided over the school of insurance which occupied the first day. This program was conducted under the theme "Successful Selling in the Soaring Sixties," and featured workshops on competitive marketing ideas for the local agent, planned advertising, and harmonizing the farmer's future with farm owners.

### Statements Read

President C. E. Curtis was in charge at the annual meeting of Ohio Farmers the second day. The financial and underwriting statements of Ohio Farmers and Superior Risk were read by A. C. England, secretary, who reported that the surplus of Ohio Farmers as of Dec. 31 was \$11,888,522, including a voluntary general reserve of \$4,286,081. Assets totaled \$29,650,819.

Gross surplus of Superior Risk was \$5,157,247 at Dec. 31 and assets were \$21,876,404.

The Ohio Farmers Agents Assn. held its 69th annual meeting with Howard Hewit, Youngstown, presiding. Speaker was Frank Lang of Frank Lang & Associates, New York, whose subject was "Meeting the Challenge of Merchandising in the Sixties."

New officers of the agents association are: President, Frank Copley, Sandusky; vice-president, Roy Donnelly, Marietta; secretary-treasurer, C. D. Palmer, Columbus. Named to the executive committee were Harold Sparks, Sabina, chairman, William Snoke, Wadsworth, Howard Fulton, Bellevue, and Charles Jones, Cambridge.

The banquet was presided over by

Donald McVay, a company director, and statuettes of "The Old Man on the Fence" were presented by W. W. Waters, vice-president, to 10 agents for 25 years of representation.

## N. D. Blue Cross Faces Depletion Of Reserves

North Dakota Blue Cross will be without reserves by May 1, unless the state insurance department acts to relieve the plan's financial plight, according to Ronald A. Jydstrup, director of the North Dakota plan. Blue Cross has 217,000 subscribers in the state.

"Unless the state insurance department acts within 30 days, Blue Cross will be in precarious financial shape," he declared, adding that the organization's fate would then be in the department's hands. He said he asked the department for advice after it had rejected Blue Cross' request for higher rates last October. The department has not replied except to say the filing was turned down "to stop inflation."

Mr. Jydstrup attributed his organization's shaky position to "abuse of Blue Cross, unnecessary duplication of hospital facilities, rising hospital costs, and the lack of satisfactory laws to protect health insurance policyholders."

## Chicago Softball League Sets Feb. 24 Meeting

Insurance Softball League of Chicago will hold a meeting Feb. 24 at 5 p.m. in the conference room of the America Fore Loyalty group building to organize the 1960 season. Additional information may be obtained from William Bendig of America Fore Loyalty, league president. The league currently consists of 12 member teams but wishes to expand to 14 or possibly 16 teams. Any insurance companies other than those already members are invited to have representatives at the meeting if they wish to form a team to represent their companies.

## Slate Cal. Management Course

The annual advanced agency management conference of California Assn. of Insurance Agents has been scheduled for June 19-24 at Stanford University. Speakers and curriculum have not been announced yet. Enrollment will be limited to 75 people.

## Petrochemicals' Fire, Explosion Behavior Described

The petrochemical industry, from the standpoint of fire hazards, was described as being a maverick which doesn't behave according to the book by L. S. Miller, assistant general manager of Oil Insurance Assn.

Speaking at the February meeting of Chicago chapter of Society of Fire Protection Engineers, Mr. Miller said the petrochemical field has just started to grow, and "if a fire protection engineer wants to use his imagination, this is the place for him."

Petrochemicals, he explained, are the raw materials processed from natural gas and petroleum hydrocarbons. A big market is found in synthetic rubber and fibers. Most articles which a person might use contain some petrochemical properties.

Mr. Miller described the hazards involved in processing. Paramount of these is explosion. Also, the material, which is processed at temperatures ranging from 300 degrees to several

thousand degrees Fahrenheit, is highly flammable. Because processing must be carefully controlled, there is the risk of mechanical failure. About one out of five fire losses of Oil Insurance Assn. was due to mechanical failure. These hazards lie hand in hand with processing and cannot be separated, he declared.

He prescribed six methods by which plants can better protect themselves. They were:

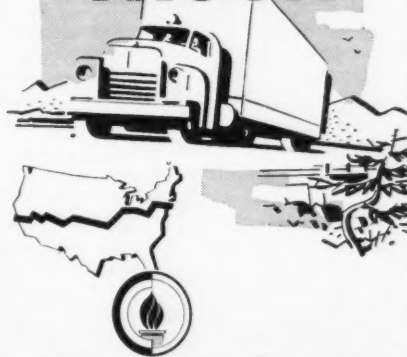
1. Process control.
2. Emergency systems if controls fail.
3. Spacing in plant layout.
4. Barricades to isolate hazards.
5. Self-inspection of hazards.
6. Conventional protection methods.

Under the last item, he noted that there is still a need for water and CO<sub>2</sub> systems to protect installations.

## Moran Named State Agent

Edward J. Moran has been named state agent at Milwaukee by London & Lancashire, succeeding Arthur G. Gehrke who has resigned. Mr. Moran was appointed special agent in 1958, prior to which he was with Fire Insurance Rating Bureau in Milwaukee.

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## Editorial Comment

### Pool Operation-Management Manpower

An interesting sidelight on why quite a number of insurers today find themselves thin on management manpower is that for many of the companies pool operations represent a surprisingly substantial percentage of their premiums. The relation between the two is indicated by the fact that those companies in which the manpower shortage at the executive level tends to show up the most critically are those of medium and smaller size in which a large proportion of total writings represent syndicate participation. This proportion runs as high as 40%, perhaps higher, for some companies.

This means that over the years the expense money to pay for hiring or training men to underwrite and administer important portions of the business of insurers has gone to pools. Note, however, that for the most part these pools have used the money wisely and well. This is clearly demonstrated by their performance in modern times. Most of them have done well for their members. For a good many companies, pool results have been real life savers.

Oddly enough, there is little discussion of pool operation, the important place it occupies, and its effects on the business. Undoubtedly this is due in part to the fact that pool figures are not available to the general insurance public, let alone the public generally. They don't publicize their figures. The statistical data all flows back to lose its identity in the annual statement listing of coverages where it reassumes its basic description. Members of pools know how and what the pools do; each of them knows, certainly, how it does on its participation in the venture. But there is little conversation about it when insurance people meet.

The formation and growth of pools has been—and is—one of the remarkably effective methods by which the business has been able to provide critical demands for coverage which could not have been met in the ordinary way by individual insurers. Considered from any significant aspect—

peril, catastrophe potential, hazard, complication, or size of risk—it is hard to see how the business could have put together the capacity, secured the talent, or developed the interest to insure as much as it has of risks that find their way into pools.

Pools, which seldom get their names in the paper, constitute a long and impressive list. Among those that come to mind are atomic energy, aviation, railroads, hail on growing crops, rain, factories and other large properties, oil, film, multiple building units under common ownership but geographically scattered, utilities, foreign business of all kinds, cotton, grain elevators and mills, and marine (ocean and inland) of many kinds—on rivers and oceans, war risk and peacetime tugboat coverage.

These facilities have enabled the insurers to provide a market for coverages which would have been impossible without them, especially in the early days of a new demand, or to meet critical underwriting situations that rose to plague older enterprises. The pooling arrangement also has enabled the insurers to provide coverages and special technical assistance needed, such as engineering, at a cost much less than would have been the case if individual insurers had been faced with the necessity of doing it alone.

Yet unquestionably the fact that a substantial portion of the insurance business has developed in this way explains some of the management problems faced by companies. With rumbles of realignments in a few of the pools—factories, for example—and with the possibility that some of the larger companies may undertake to go it alone in these areas, it will be more apparent that manpower (underwriting and administrative) is one of the key values the pools have provided. It will be more apparent, also, however, that some companies, individually, have been bemused by the situation into not doing what they should have done with respect to building management talent on their own premises.

What has been occurring in the bureau area bears out this observation also. As companies have pulled out or part way out of bureaus, they have suddenly discovered they have on hand little or none of the talent that the bureaus have supplied (and still supply). This provision of talent has been, often, for one of the same reasons as propelled the pools to positions of genuine value to the business—the vastly lower cost of doing it that way than by individual company.

However, insurers now are discovering that they need actuaries and statisticians, data men, and others in the area of keeping track of experience, testing it mathematically and in other ways, and supporting and justifying figures before insurance departments.

Of course, the demand for marketing talent and know-how found many companies thinly equipped to fill the need. Here, there was little or no such talent available because there had been so little marketing of fire and casualty business. Some talent was available—in the field, in agency and production departments, in advertising divisions. What there was and is has tended to be among larger companies or among smaller insurers operating independently. It now is being utilized and developed—though much remains to be done.

Yet so many of the things that have occurred in fire and casualty in recent times point up management manpower shortages in the face of surging needs, including the operation of pools. It would be more discouraging, perhaps, if it were not so easy to see and hear that there is need of manpower (and notably management prospects and performers) in so many other businesses.—K.O.F.

## Deaths

**O. B. SPARKS**, 51, who had charge of the southeastern department of Hartford Accident at Atlanta, died of a heart attack on the way to his office.

**WILLIAM C. SMITH**, 36, examiner in the Kentucky department, died at Owensboro.

**ARTHUR L. GLOR**, 84, formerly a New Jersey correspondent of THE NATIONAL UNDERWRITER and other insurance publications, died in Newark.

**THOMAS F. JENNINGS**, 81, a former vice-president of Royal Indemnity, died. He joined the company in 1911 and retired in 1941.

**ALBERT H. RUSSELL**, 56, vice-president, secretary and director of American Surety, died in the hospital at Kinnelon, N.J., after a brief illness. He joined the company in 1925, was made assistant manager in 1932 and manager of the probate and miscellaneous bond departments in 1934.

**HARRY R. HAYNIE**, 56, district manager of American Mutual Liability at Minneapolis, died there.

**ROBERT H. MILLER**, St. Paul manager of the J. T. Miller Co. agency of Minneapolis, died in an ice boating accident at Bayport, Minn. His father, J. T. Miller, owns the agency.

## Stocks

By H. W. Cornelius of Bacon, Whipple & Co.  
135 S. La Salle St., Chicago, February 16, 1960

	Bid	Asked
Aetna Casualty .....	201	208
Aetna Fire .....	75	78
Aetna Life .....	84	86
American Equitable .....	41	42½
American (N. J.) .....	26	27
American Motorists .....	14	15½
American Surety .....	18	19½
Boston .....	34	35½
Continental Casualty .....	62	64
Crum & Forster .....	67	69
Federal .....	55	57
Fireman's Fund .....	53	55
General Re .....	94	96½
Glens Falls .....	34	36
Great American Fire .....	42	44
Hartford Fire .....	190	196
Hanover Fire .....	42	44
Home of N. Y. .....	52	54
Ins. Co. of No. America .....	134½	136½
Jersey Ins. .....	33	36
Maryland Casualty .....	34	35½
Mass. Bonding .....	42	45
National Fire .....	137	142
National Union .....	38	40
New Amsterdam Cas. ....	45	47
New Hampshire .....	51	53½
North River .....	37	39
Ohio Casualty .....	29	31
Phoenix, Conn. ....	83	85
Prov. Wash. ....	23	25
Reins. Corp. of N. Y. ....	19	20½
Reliance .....	47	49
St. Paul F. & M. ....	52	54
Springfield F. & M. ....	34	36
Standard Accident .....	56	58
Travelers .....	85½	87
U. S. F. & G. ....	37	38½
U. S. Fire .....	28	29½

## Personals

**Leo B. Menner**, president Leo B. Menner & Co., Chicago, London Lloyd's representatives, has been appointed a trustee of Quincy College of Quincy, Ill.

**John S. Long**, who retired a few years ago as head of the Robinson, Wilson & Long agency of Louisville and who is the only life member of Louisville Board of Insurance Agents, is in Kentucky Baptist Hospital, Louisville, suffering from a heart condition.

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The National Weekly Newspaper  
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### Company Men Help Tenn. Agents Boost Membership

In a membership recruiting contest sponsored by Insurers of Tennessee, Charles E. Griffith Jr., Nashville manager of Travelers, introduced 23 new members and won top prize, a TV set. Hugh D. Shannon, special agent of U.S.F.&G., introduced 19 members to win a Polaroid camera.

Carolina Casualty has been admitted in Hawaii.

SUBSCRIPTIONS: 420 E. Fourth St., Cincinnati 2. \$7.50 per year (3 years, \$20); Canada \$8.50 per year (3 years, \$23); Foreign \$9 per year (3 years, \$24.50). 30 cents per copy, back copies 60 cents. CHANGE OF ADDRESS: Enclose mailing wrapper and Post Office form 3579 with new address, and allow three weeks for completion of the change.



## To Continue Mich. Field Club Independently

Michigan Capital Stock Ins. Assn. had a meeting Feb. 9 at Jackson at which the members unanimously concurred with the plans formulated by a "special committee on reorganization." Field men will continue their club on an independent basis.

The same day the Michigan Blue Goose had a winter meeting at which 12 goslings were initiated. A report on plans for the 1960 Grand Nest to be held in Detroit in September were given by Robert Hill, independent adjuster.

## Evans At W. Va. 1-Day

Harold G. Evans, president American Casualty, will be the featured speaker at the 1-Day sponsored by West Virginia Assn. of Insurance Agents at Daniel Boone Hotel, Charleston, Feb. 22. Lawrence F. Smith, director of research and development of NAIA, William L. Pyle, U.S.F.&G., Charleston, and Frank R. Bell Jr., Charleston agent, are other program participants.

## Approve La. Rate Changes

The casualty and surety division of Louisiana Insurance Rating Commission has approved an average increase of 6% on new and renewal workmen's compensation policies, effective March 1.

Revisions have been made in the CPL and farmers CPL as of March 2. Under these forms, swimming and wading pools with water more than 30 inches deep will require an extra basic limits premium of \$15. Outboard motors over 26 horsepower will take an additional basic limits premium of \$5. The basic rate for farmers CPL has been raised from \$12 to \$13.

No coverage under these forms will be provided for midjet autos while away from insured's premises.

Other statewide average increases are storekeepers burglary and robbery, 4.4%; simple mercantile safe, 12%; and money and securities broad form (loss within premises), 6%.

OL&T classifications will incur an average increase of about 23%, and manufacturers and contractors classifications will be raised an average of 16.9% for BI and 8.9% for PDL. Professional liability rates for physicians and surgeons will be increased an average of 8.5%, while dentists and professional liability rates will go up by 25%. Generally, physicians professional liability rates will be decreased, while surgeons professional liability rates will be increased.

## Zurich's Contest No Joke, Company Reports

The secret of the AZtronauts—the fearless balloonists from Zurich—was revealed in the Feb. 12 issue of THE NATIONAL UNDERWRITER. They were looking for someone to tell them where to use NAIA's "Big I" symbol in Zurich's advertising. And the man with Mr. Za really was Neville Pilling, U.S. manager for Zurich.

But now the company reports a problem. Both Zurich and its advertising agency, Wade Advertising, have received numerous inquiries: "The contest sounds like fun, but are the prizes really real?"

In replying to all such questions, Fred Oliver, assistant U.S. manager, says "The prizes are certainly real, even if the judges are going to be some cross-eyed and near-sighted ex-baseball umpires now attempting to make a living as art directors."

"There will be 100 prizes," Mr. Oliver continued, "which will vary from valuable to hilarious. While the method of presentation of the contest is light-hearted, the subject matter is very near and dear to the heart of Zurich, because it expresses our confidence in and dependence upon the American agency system."

In a letter which accompanied the company's press release, C. F. Scheer, public relations director, noted that Zurich really does want practical suggestions on how it can incorporate the "Big I" symbol in its advertisements in such a way as to do credit both to the company and to the symbol. Mr. Scheer said the advertisement was indeed light-hearted, but that Zurich is as serious about the contest as it is about anything else it advertises.

## 70 Attend Ill. Blue Goose Splash At Springfield

Seventy ganders turned out for the meeting of Illinois Blue Goose Feb. 10 at Springfield at which 13 goslings took their first swim at a formal initiation. John J. Rusco, MLG, presided. The goslings were given their charge by MLGG Eugene Saulcy, Great American.

Initiation was followed by a cocktail hour and banquet, the dinner speaker being George Allen, Western Adjustment, St. Louis, a candidate to start up the Grand Nest ladder at the August convention in Detroit.

Independence Fire & Casualty of Oklahoma City has been licensed. It has \$100,000 capital and \$75,000 surplus. The company will write full coverage auto and casualty lines.



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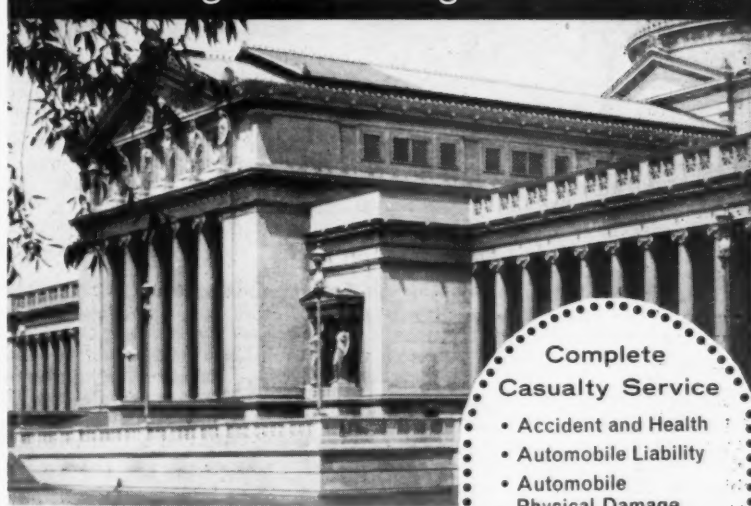
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## New York Terms Conn. General Life Plea As 'Absurd'

(CONTINUED FROM PAGE 4)

of-state insurers operating in the regulating state was upheld in Prudential Insurance Co. vs Benjamin, 328 U. S. 408 (1946).

"It would be revealing to know just what motive prompts plaintiff alone, of the 73 life insurance companies licensed in the state, to substitute its judgment for the expertise of the insurance department. It cannot be seriously contended by plaintiff that its financial position has suffered through the refusal of the department to allow it to enter the fields of fire or casualty insurance.

### Cites Department Records

"The records, filed with the insurance department, indicate otherwise. If, on the other hand, the desired acquisition is intended to enable plaintiff to market its life insurance policies through the agents of its fire or casualty subsidiaries, or vice versa, plaintiff can ill contend that it will not do a fire or casualty business. It is to be noted that plaintiff's papers have in no way indicated its true purpose.

"Nowhere in any of plaintiff's papers in this court has any fact been adduced, or statute cited which can grant it special status, and justify its refusal to abide by the judgment of the insurance department, and the 70 other life insurance companies operating in this state which have not acquired fire or casualty subsidiaries.

### Against General Exception

"Even if the particular acquisition contemplated by plaintiff should prove a sound one, there is no warrant for thereby creating a general exception to the insurance law, available to all life insurance companies. The statutes and administrative history, culminating in insurance law section 193(2) require that a life insurer be denied the opportunity to indirectly engage, by means of a subsidiary in an activity prohibited to it."

The state's brief lays much stress on the possibilities of loss in the fire-casualty business as compared with the much steadier level of the life business. After citing figures to this effect, the brief continues:

### Contrasts Types Of Risks

"The risk involved in life insurance is a stable and reasonably predictable one, which can be reduced to a usable formula by means of mortality tables. No such degree of accuracy is possible with fire or casualty insurance. The hazardous and unpredictable nature of the fire and casualty business is evidenced by the extraordinary fluctuation in income, as evidenced by the negative experience of the last three reported years.

"A life insurance company, by reason of the long term risks involved, is in effect a trustee of funds contributed by policyholders, and held for the protection of beneficiaries under the insurance contract, and such funds should not be subject to the payment of claims on the more hazardous and totally different kinds of fire and casualty insurance.

### Might Prove Injurious

"By reason of its controlling stock interest in a subsidiary fire or casualty company, however, the conservative and prudent investment policies

ordinarily followed by a life insurance company must be subordinated to the exigencies affecting its subsidiary. Thus, while a life company would not, under ordinary circumstances, retain uncertain investments, a parent life insurer is committed to stand by a subsidiary in financial distress. Such action might well prove injurious to the interests of the life insurance beneficiaries and stockholders."

## Duncan Assistant V-P Of American Casualty

Robert D. Duncan has joined American Casualty as assistant vice-president of the fidelity and surety department. He has most recently been with American as superintendent of the bond, burglary and glass department, and before that was with Fidelity & Deposit. He has also been with the War Department as a corporate analyst on the Price



Robert D. Duncan

Adjustment Board and as a financial analyst with the renegotiation branch of the transportation corps.

Mr. Duncan, who will concentrate on expansion of fidelity and surety business, will be under the supervision of Howard G. Riley, vice-president of the department.

## Plaintiff's Defendants Split Chicago Decisions

The week ending Feb. 12 produced a stand-off in personal injury court decisions in Chicago, according to the compilations of Cook County Jury Verdict Reporter, with 10 verdicts for plaintiff and 10 for defendant. Since Sept. 1, there have been 141 decisions for defendant and 124 for plaintiff, with total damages awarded of \$3,557,133.

Last week there were two awards for \$25,000 one to a passenger in a taxicab accident, and one to a four-year old child who fell 21 feet in an inside stairway by going through a broken slat.

In several cases last week the final offer of the defense exceeded the award granted by the jury. One plaintiff was offered \$2,500 before trial, \$3,500 during trial and a hint was made that \$4,500 was obtainable, but the plaintiff decided to await the jury verdict, and it turned out to be \$1,000.

## Railroad Union Insurance Unit Under Pa. Department

Operation in Pennsylvania of the insurance system of the Brotherhood of Railroad Trainmen falls under the jurisdiction of the state insurance department, Dauphin County court has ruled.

The organization's insurance division claimed exemption from state control and refused the state access to its books on the grounds that labor unions are exempt from such supervision when their membership is limited to one hazardous occupation. The court, however, held that the brotherhood's insurance system is not limited to railroaders, and cannot qualify for the single occupation exemption because it writes coverage for bus drivers, doctors, lawyers, statisticians, clerks and others.

## Adjusters' Assn. Is Western Loss Assn. Host At Chicago

(Picture on page 1.)

Adjusters Assn. of Chicago had Western Loss Assn. as guests at the February meeting. This is the first time in about 25 years these two organizations have convened in full membership on an informal basis. Other such gatherings are now being planned.

William Clark, financial editor of the Chicago Tribune, who was guest speaker, gave a brief run-down of his views on the economy of the nation. The period since World War II has been a fascinating one, he said, as to what has determined economic trends, but while there have been "rolling readjustments" following the slight recession shortly after the second war, the business cycle is not yet conquered.

"I know of no one who says we'll never have another major depression," Mr. Clark declared. He feels that the indirect credit controls of the Federal Reserve System have had their part in keeping the economy on an even keel.

### Losing Status Symbol Position?

The speaker said he had experienced a "few surprises," one of them being that the nation can have prosperity at a time when the automobile industry is not having prosperity. This may indicate a transition period, he said, for the automobile industry and the automobile itself. He opined that the automobile may be losing its position as a "status symbol" and that this has been transferred to the home, bringing on an augmentation of products and services in this area.

Another "surprise" is the action of the stock market itself, which has "confounded all the experts with its steady rise," declared Mr. Clark. He attributed this in part to changing factors in supply and demand, some in the former being the increase of stock buying by large institutional organizations, and individual buying as a hedge against inflation. As to demand, tax penalties for financing through stocks instead of bonds have "made the bond route more attractive." Another factor which may be helping to keep the market steady and has made for a bull market of such duration is the capital gains provisions as applied to individuals. Because of this situation, they are more apt to retain their holdings in the market.

### Is Effective Indicator

Mr. Clark pointed out that the stock market is a very effective indicator of trends in business to follow. Thus, currently, "we can say while a large amount of business has been done, there is still not much evidence of over-all expansion of production capacity," and without such expansion, there can be no real boom (followed by a depression). "Perhaps this is what the stock market is trying to tell us," he said.

As to problems ahead, Mr. Clark considers "serious" the labor management situation and the strength of foreign competition as "genuinely dangerous." In the first instance, these two units of production "will have to get along better; more understanding on both sides is needed," he said, "and keep in mind that foreigners are now creating on a quality as well as price basis."

He is also concerned about the

term "profit" and feels that it may be getting confused with personal gain. The same thing may be said about a number of terms, Mr. Clark noted—even that of "freedom." More care must be taken to put proper values on what is under the "label" today.

## Hold Against Plaintiff In Blast, Sonic Boom Cases In Ind., S. C.

Courts in Indiana and South Carolina last month handed down decisions in cases involving blasting and sonic boom damage to structures.

The Indiana case reversed the theory long held in the courts there of strict liability. In this case the plaintiff alleged that strip mining operations 5,200 feet from him damaged his building and he sought \$12,000. The jury returned a verdict for \$3,000, but the coal mine company took the case to the appellate court, asserting that no negligence had been shown on the part of the coal company. The lower court was overruled, although the appellate court did not go into the evidence, but merely held that the lower court erred in overruling the defendant's demurrer to the theory of absolute liability.

In the sonic boom case, the dwelling owner had a policy which included damage caused by sonic booms and two sonic booms actually occurred over the house. However, there was testimony that no damage had occurred to the house as a result of sonic booms, but instead it had been caused by normal constructional reasons. A local jury held for the insurance company against the policyholder, a well-known local citizen. The verdict was upheld in the South Carolina supreme court.

## Mich. Department Won't Be Merged This Year

LANSING—Gov. Williams has indicated he will make only one executive reorganization proposal this year. This puts an end to the plan suggested by Commissioner Blackford which would consolidate the insurance department with the banking department and the corporation and securities commission, an idea that has been opposed consistently by the insurance people.

Gov. Williams told the legislature several reorganization proposals have been recommended to him, but he will "go slow."

## Scharringhausen In Ind.

West Bend Mutual has appointed Jack R. Scharringhausen state agent for Indiana, and he will work out of Fort Wayne. He entered the business in 1946 as a home office underwriter of Lumbermens Mutual Casualty and for several years has been a special agent in Indiana for Secured.

## Publish New Handbook Of Rocky Mountain States

A new Underwriters Handbook of Rocky Mountain States (Colorado, Idaho, Montana, New Mexico, Utah and Wyoming) has just been published by the National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, groups and other organizations affiliated with insurance throughout these states. Copies of the new handbook may be obtained from the National Underwriter Company at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

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## Seek Alternatives To Forand Legislation

President Eisenhower revealed that he is considering as an alternative to the Forand bill a plan which would provide major medical benefits to social security beneficiaries over age 65.

The President is considering a possible change that would increase the taxes by one-quarter of 1%. This payroll deduction is identical to that called for in the Forand bill, which, however, also provides medical care for the aged.

Rep. Mills, who heads the House ways and means committee, said he is seeking a solution short of the Forand proposal. He has had talks with officials of American Medical Assn., labor unions and insurers. His committee is expected to open hearings next month.

Arthur S. Flemming, secretary of the Department of Health, Education & Welfare, also is considering three alternative plans. One would increase the social security tax by one-quarter of 1% on both employers and employees; another would step up public assistance through existing federal-state programs, and the third would involve governmental supplements to existing voluntary health insurance plans.

If Congress is going to consider his proposals carefully, Mr. Flemming said, his department will have to have cost figures prepared within 90 days.

## Illinois Bureau Files For 10% Small Car Discount

Illinois Bureau of Casualty Insurers has introduced a 10% discount on BI, PD and collision rates on economy cars. It has also filed for reduced rates on uninsured motorist coverage and has established new classifications—2B and 2BF—to give young married drivers between 21 and 25 a break. Rates for the new classes are 90% of those applicable for 2A and 2AF.

## Cooper Is Advanced

Wallace J. Cooper has been named vice-president of Atlantic National in addition to controller. He was divisional controller of the car leasing division of The Hertz Corp. from 1958 until he joined Atlantic National as controller last year. Prior to that he was a senior accountant with Arthur Andersen & Co.

## Joanis Hardware Mutuals Director

John W. Joanis, vice-president and general counsel of Hardware Mutuals and Sentry Life of Stevens Point, has been elected a director of both companies. He will fill the unexpired term of the late Louis Hirsig.

The John Roy Campbell agency of Harrison, Ark., has purchased the Harrison and the Central agencies of that city.

## Travelers Names Nine In Claims Adjusting

Travelers has named Neil E. Waldo, supervising adjuster at Duluth, claim manager there to succeed Herman E. Wulfers, retired. William M. Smith, supervising adjuster at Toronto, is transferred to Winnipeg as claim manager. John C. Daves Jr., supervising adjuster at Jackson, becomes claim manager there. Robert A. Guyer, supervising adjuster at Phoenix, is named claim manager there.

Lester M. Conway, adjuster at Richmond, is transferred to the home office as examiner in the indemnity unit of the casualty claim department.

Walter E. Petteway, district adjuster at Tampa, becomes supervising adjuster there. William E. White, adjuster at Syracuse, is named supervising adjuster in charge of direct reporting service at Binghamton.

Two adjusters are promoted to resident adjusters at new claim offices: James E. Batliner, Manhattan, Kan., and James S. Butler, Greenville, S. C.

## Ind. Lumbermens Mutual To Build Dallas Office

Construction of Indiana Lumbermens Mutual's office at Dallas will begin this spring and occupancy is slated for early 1961. The building will be a two-story structure with 20,000 square feet of floor space and will house the Texas branch. Texas is the company's largest premium producing state.

Indiana Lumbermens has branch offices at San Francisco, Los Angeles and Albany, N. Y.

## Buyers From Ala. Chapter

Alabama Society of Insurance Management is the latest chapter to affiliate with American Society of Insurance Management.

Officers of the Alabama chapter are M. G. Jackson, Vulcan Materials, president; John R. Hall, Southern Services, vice-president; Harold Wilson, Birmingham News, secretary-treasurer.

Speaker at the first regular meeting was J. A. Sebert, manager of the boiler and machinery department of Zurich at Chicago. Regular meetings will be held in Homewood, Ala., on the second Thursday of each month.

## Opens Indianapolis Adjusting Firm

G. L. Sharkey has opened an adjustment company bearing his name at Indianapolis, and he will handle auto, liability, workmen's compensation, fire and inland marine business. He was a partner in the Van Der Moere & Co. adjusting firm.

Orange Coast Adjusters of Los Angeles has opened a branch office at Long Beach. Frank Ertel, who has been with Orange Coast Adjusters for four years, will have charge of the new office, the organization's fourth branch.



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## Pay N. Y. Creditors Of Eastern Ins. Co.

Payment of all claims allowed in New York against Eastern Ins. Co. has been completed with distribution by the liquidation bureau of New York department of final checks totaling \$43,771. The bureau had earlier distributed \$59,865.

Eastern was organized and licensed under the laws of Delaware. It was found insolvent in 1951. Although not licensed in New York, it wrote most of its business through excess line brok-

ers, principally in New York City. When the New York superintendent was authorized to take over and conserve assets of the company, securities of \$825,000 were on deposit with Chase National Bank as collateral for a loan of \$531,500 to the company.

In 1953, a primary receiver was appointed in Delaware. By agreement between the conservator and the primary receiver, approved in New York and Delaware courts, the conservator was authorized to adjudicate and pay all allowed claims filed by New York residents.

## Nevada Sets March 4 For 1st Insurance Day

Nevada's first insurance day will be held March 4 in Las Vegas and is being held in honor of the state's insurance commissioner, Paul A. Hammel. Mr. Hammel is also president of National Assn. of Insurance Commissioners.

V. J. Skutt, president Mutual Benefit H.&A., is kick-off speaker with "The Importance of Life and Health Insurance in Today's Economy."

Gordon J. Petersen, regional manager 12th civil service district, San

Francisco, "Federal Employees' Health Benefit Program"; Lester Schriver, vice-president National Assn. of Life Underwriters, "The Life Underwriter of Tomorrow"; and E. J. Faulkner, president Woodmen Accident & Life, "Implications of the Forand Bill" round off the morning's card.

Jordan Crouch, vice-president First National Bank of Nevada, Reno, will discuss "Strategy in Dealing with People" at the luncheon.

Afternoon speakers include John Steele, Pacific National Fire, San Francisco, "The Importance of Property Insurance to Our Economy"; Thomas Morrill, vice-president and general counsel State Farm, "The Accident Prevention Program of Insurance Institute for Highway Safety"; W. Victor Slevin, general manager National Board, San Francisco, "The Why's and Wherefore's of Fire Prevention"; and Edward J. Dowd Jr., domestic facilities underwriting manager Sayre & Toso-W. B. Brandt, "The Trends in Property Insurance Underwriting."

Sam Beery, Colorado insurance commissioner, will discuss "Why an Insurance Day?" following the evening's banquet.

## Central Mutual Cas.

### Names McCaughey, Smith

At the annual meeting of Central Mutual Casualty, Robert C. McCaughey was elected a director and vice-president, finance, and Robert I. Smith a director and vice-president, underwriting. Mr. McCaughey will be responsible for investment, accounting and systems functions. Mr. Smith is responsible for sales and underwriting.

## Dubuque Names Davis

H. L. Davis & Co. general agency of San Antonio has been appointed managing general agency in Texas for Dubuque F.&M. of the MacArthur group.

## Duduit In New Post At Indianapolis

James E. Duduit, formerly chief examiner for Indiana insurance department, has been named vice-president in charge of sales for International Auto Insurance Exchange at Indianapolis. He has also been an examiner for the Ohio department and has casualty and life company experience.

Oklahoma Farmers Union has formed a new multiple line stock company, Farmers Union Ins. Co., with paid up capital of \$250,000 and surplus of \$125,000. The company initially will write property and auto coverages.



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## AFIA And Open

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## AFIA Names Parmentier And Mays Secretaries; Opens Houston Office

American Foreign Insurance Assn. has appointed Bowdre P. Mays Jr. and Fred J. Parmentier secretaries.

Mr. Mays joined the association in 1948 and has represented it at Tokyo, Yokohama, Manila, Hong Kong, Bogota and, prior to his present appointment, as manager for Colombia.

Mr. Parmentier went with AFIA in 1952 from Farmers Insurance Exchange of Los Angeles, and represented the association in South Africa.

W. F. Crowlsey was appointed manager of the newly opened Houston branch. He was transferred from the Dallas office.

## Sanborn Map Co. Publishes Second Underwriting Guide

Sanborn Map Co. has published a second report in its series of guides to sound fire underwriting. It contains analyses of actual commercial and industrial risks by leading company underwriters.

The booklet notes that central business districts all over the country have undergone "face surgery." Modern fronts, lobbies and elevators can produce the illusion of a modern building. The experienced underwriter, however, is seldom misled by such "falsies" and can usually determine from the map whether or not the major construction is unchanged.

### Improvements in Many Sites

Efforts to revitalize central business sections in order to compete with the rush to outlying shopping centers has resulted in decided improvements in many sites. Older properties, however, still present a severe underwriting problem and have a strong bearing on the net retentions accorded their new neighbors, the booklet points out.

It contains an analysis of a high value industrial block; a discussion on how map data helps determine retentions; a guide to use of maps as a substitute for crystal ball underwriting, and a key to selectivity. All maps in the booklet are full color reproductions of those in actual use by underwriters.

## Stevens Heads Spokane Casualty Adjusters Assn.

Spokane Casualty Adjusters Assn. has elected Dwight N. Stevens, Western Pacific, president. H. A. Moriarty, Pacific Insurance Adjusters, is vice-president, and Leo Brown, Olympia, is secretary-treasurer.

## Two Trinity Universal Directors

Robert F. Miller and Phil G. Mavon have been elected directors of Trinity Universal of Dallas. Mr. Miller is a vice-president and has been with the company since 1929. Mr. Mavon is president of G. A. Mavon & Co. general agency of Trinity Universal at Chicago.

## Announce H.S. Auto Safety Contest

High school students throughout the country are eligible to compete for 29 cash prizes totaling \$2,625 in the 5th annual high school auto safety contest sponsored by American Motorists. Prizes will be awarded to high school newspapers and student journalists for auto safety campaigns and for features and cartoons published in high school newspapers during the period Feb. 29 to April 8, 1960. Five additional prizes

will be given to high schools having the outstanding school wide auto safety programs inaugurated or conducted during the contest period.

**Richmond County (N. Y.) Assn. of Insurance Agents** at its January meeting at St. George, Staten Island, heard Roy Smith of Automatic Fire Alarm Co., New York City, speak on the importance of reporting a fire immediately and of giving the exact location of fire. He also stressed the role of sprinkler systems in reducing fire rates.

The symbol below means **big** in Chinese (we checked with our San Francisco producer, Mr. Edward W. Quon). But whether you say it in Chinese, Czechoslovakian or Cherokee, **big** means more than just bulky. That's why agents who **think big** usually are **big** . . . big because they are never satisfied with "status quo" . . . big because they continually search for new business, for profitable, well-rounded business.

Agents who think big will want to participate in The Fund's **LINE OF THE MONTH** 1960. They'll want to take full advantage of the up-to-the-minute orientation and assistance provided by this timely new merchandising vehicle. **LINE OF THE MONTH** 1960 is designed for big agents—designed to help them grow bigger by providing distinct, current underwriting information on profitable "extra" lines that are so often overlooked, **plus** powerful merchandising aids to help sell them.

Take Accounts Receivable for example: it's the first **LINE OF THE MONTH** 1960. A new underwriting revision lets you sell The

## Md. Kills Group Plan

Commissioner Sears of Maryland has ruled that a plan to offer \$2,000 group policies for members of Allstate Homeowners Assn. as an inducement in connection with home repairs constitutes fictitious grouping.

Mutual of Omaha, which reportedly was to write the coverage, has withdrawn from the plan. No policies were actually issued, according to Mr. Sears. The association which was organized in the Baltimore area has no connection with Allstate.

## Kratovil In Canada Talk

Emil A. Kratovil, president of Carpenter & Baker and first vice-president of American Institute of Marine Underwriters, spoke at the organization meeting of Canadian Board of Marine Underwriters at Montebello, Quebec. He conveyed greetings from the institute, noted the amicable relations which have existed between the two groups, and presented the Canadian board with a specially wrought gavel and block inscribed for the occasion.

Fund's Accounts Receivable policies for coverage up to \$50,000 **without reporting form accounting**. This means that you need concern yourself with only one, definite premium, which can be computed on the spot in a matter of minutes. A whole new market is open to you — service stations, laundries, bakeries, hardware stores, in fact, every medium and small business that keeps any sort of credit system at all becomes a potential account. And Accounts Receivable business is the first step to complete insurance accounts.

That's just one **LINE OF THE MONTH** for 1960! There'll be others with equal opportunity. So if you're a big agent — even if you don't now represent The Fund — and would like to investigate this new marketing accessory, start planning for a bigger 1960 right now by filling in your name and address. Then tear out this advertisement and mail it to: **LINE OF THE MONTH** 1960, The Fund Insurance Companies, Research, Development and Sales, 3333 California Street, San Francisco 20, California.

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### New Handbook Ready For Me., N. H., Vt.

A new Underwriters Handbook of Maine, New Hampshire and Vermont has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout these states. Copies of the new Maine, New Hampshire and Vermont handbook may be obtained from the National Underwriter Company at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

American Casualty is holding for adjusters from 11 branches an intensive two-week home office course, dealing primarily with auto damage appraisal and auto adjusting techniques. Instruction also will be offered in adjustment of liability, property, A&S, workmen's compensation and burglary lines.

### F.&D. Names Lynn At Minneapolis

Fidelity & Deposit has appointed Stanley C. Lynn manager at Minneapolis. Arthur B. Lillejord will remain as assistant manager.

Stanley T. Webb, resident vice-president in Milwaukee, will continue to supervise the activities of the Minneapolis office.

### Badger Mutual Reports

Badger Mutual had a 20.8% increase in surplus last year to make the total \$2,578,592 for 1959. Unearned premiums increased to \$5,236,733. Net premiums written were \$9,196,278. Total claims processed numbered 52,375 and losses were \$4,586,825.

### Bierman-Condray Has Changes

Bierman-Condray, St. Louis adjusters, has transferred William M. Sherman from manager at Mt. Vernon, Ill., to manager of the St. Louis branch. R. E. Schumacher, formerly of the main office, has been promoted to manager at Mt. Vernon.

### SEUA Advances Price, Morris And Stuart

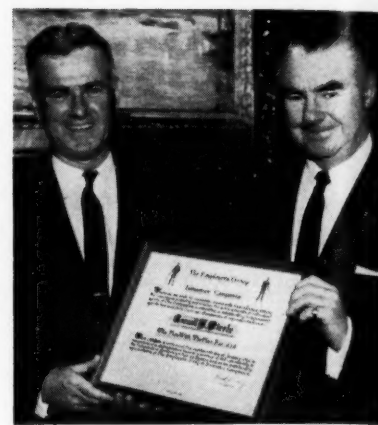
Southeastern Underwriters Assn. has advanced Gordon F. Price from assistant chief engineer to chief engineer, effective March 1. John W. Morris Jr. and George Stuart, division engineers, will be promoted to assistant chief engineers.

Mr. Price joined SEUA in 1925 and became assistant chief engineer in 1945. Mr. Morris, division engineer since 1955, joined SEUA in 1925. Mr. Stuart joined SEUA in 1927 and has been division manager since 1956.

### Zurich Promotes Sforza And Henry

Zurich has promoted Arthur B. Sforza to claims superintendent at Chicago. He has been with the company since 1945, as claim representative at New York and as claims superintendent at Baltimore and Buffalo.

Allison R. Henry, claims superintendent at New Haven since 1958, has been promoted to claims superintendent at Buffalo.



Frank J. Carey, left, U.S. manager of Employers Liability, presents a citation to Carroll K. Steele, Gloucester, Mass., agent who was named the Man with the Plan for 1959. Mr. Steele is the first recipient of the award. The selection of Mr. Steele was based on service to his community and his contributions to the agency system. A feature of the award is that Mr. Steele has the opportunity to bestow an educational endowment, underwritten by Employers Life, on a secondary school student for advanced study in his chosen field.

Mr. Steele has been in insurance for 36 years. His agency dates back to his paternal grandfather who established it in the 1870s.

### Great American Appoints Stewart

Great American has appointed William A. Stewart special agent for northern Illinois. He succeeds O. B. Worcester, who is retiring April 1.

Mr. Stewart entered the business in 1946. He was a special agent for Atlas from 1949 to 1959, at which time he joined Great American. He has served as vice-president and president of Cook County (Ill.) Fire Underwriters Assn.

Mr. Worcester has been with Great American since 1930.

### Munley Joins Continental Cas.

Continental Casualty has appointed Gerald H. Munley special representative at Detroit for the liability and surety divisions. He had been with U.S.F.&G. at Lansing for the past three years.

Pawtucket Mutual has opened a southeastern branch at Charlotte, N.C. Charles G. Povey, assistant secretary, will be in charge.

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## Education Directors To Have Varied Card

Insurance Company Education Directors Society will hold its annual meeting May 9-11 at Seaview Country Club, Absecon, N. J.

A stimulating program has been arranged under the direction of John J. Leddy, American, vice-president, and Walter O. Hillgren, Boston, program chairman. Among subjects scheduled for discussion are supervisory training, management development, trainee turnover, correspondence courses, adjuster training, teaching sales techniques, and criteria to judge training programs.

An additional feature will be a display of materials used by members in their training activities. More than 100 company representatives and a number of insurance teachers from colleges and universities are expected to attend.

## Industrial Indemnity Has Three So. Cal. Changes

Industrial Indemnity has made three promotions in its southern California branch offices.

Frank W. Adams has been named administrative manager at Los Angeles. He joined the company in 1947 and for the past five years has been underwriting manager.

Floyd S. Pratt, who has been underwriting manager at Long Beach for the past three years, succeeds Mr. Adams at Los Angeles. He has been with Industrial since 1956.

Hugh S. Fisher succeeds Mr. Pratt at Long Beach. He joined the company as payroll auditor in 1953 and has since been both an underwriter and special agent in that division.

## Fleshman To Atlanta As American Surety Manager

American Surety has appointed James W. Fleshman manager at Atlanta. He joined the company in 1949 and after training at the home office was appointed Washington special agent. He joined the Detroit branch staff in 1954 and was promoted to assistant manager there in 1956.

## Shift Vt. Coverage Buying

Gov. Stafford of Vermont has signed a bill under which purchase of all state insurance is transferred from the insurance department to the state purchasing director. Preference is to be given to companies and independent agents domiciled in Vermont when they offer policies comparable with others in coverage and service.

## Insurance Men At Safety Parley

Arthur F. Fuller, supervising director of Aetna Fire, and O. P. Peters, superintendent of New York engineering department of Employers Liability, have been named as general vice-chairmen of the annual safety convention and exposition of Greater New York Safety Council, March 28-April 1 at Statler-Hilton Hotel.

John J. O'Toole, Utilities Mutual, will have charge of arrangements; Edward A. Fullarton, Travelers, exhibits; and R. B. Jordan, Home Indemnity, promotion.

All Coverage Exchange of Los Angeles, organized in 1958, is offering a surcharged auto policy on a lifetime basis, payable monthly. The reciprocal specializes in accepting high point risks under the safe driver plan.

## Revive Mich. Plan For School Self-Insurance

LANSING—A proposal for a public school self-insurance fund, which was smothered in committee at the last legislative session, has been revived by a resolution reintroduced in the Michigan legislature calling for a study of the plan by a special committee. The plan was evolved by the state organization of school business managers who claimed it would save large sums of premiums.

The resolution, sponsored by Rep. Charles Boyer, a Manistee agent, has been referred to the rules and resolutions committee. It would create a joint house and senate committee to "investigate and weigh the possibilities" of the plan. The resolution calls the proposed program, which would create a security fund from the \$1 per pupil contributions, "a system (which) would impose certain dislocations and problems which require adequate consideration."

Michigan Assn. of Insurance Agents has prepared a well-documented brochure setting forth the chief objections to the plan. Among these is a thorough analysis of its unrealistic plan of underwriting which would make school districts with modern fireproof buildings "hold the bag" for districts which had let their buildings deteriorate to the maximum extent possible under fire marshall restrictions. The agents' argument points out that the plan deprives schools of the fire prevention, inspection and other services of insurers and their affiliated organizations.

## J. & H. Names Henshaw Michigan President

Richard T. Henshaw Jr. has been elected president of Johnson & Higgins at Detroit. He joined J. & H. in 1954 as senior account executive in the fire and inland marine department.

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### Insurance Agents

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## Reviews Pros, Cons Of Underwriting By Home Office, Field

(CONTINUED FROM PAGE 2)

conditions, he said. Every state has sections that have poor records or unusual conditions which an isolated home office underwriter might not be aware of. He may know in generalities, but not in particulars.

A home office underwriter 500 or a thousand miles away is a stranger to the agents. Every agent believes he is entitled to 100% of the underwriter's attention, and he feels he cannot get that by remote control. Not only does

each agent believe that every piece of his business is good business, but each risk has its own particular problems.

### Too Easy To Say No

Because the home office underwriter is isolated, Mr. DuBois said, everything tends to be impersonal. This makes it so easy for the underwriters to say "no," rather than to take the trouble to check further. The result is

poor feeling and the loss of good business. The risk involved may not be so acceptable as the agent wants the company to believe, but he will not hold it against the company if they at least make a pretense of checking into its merits rather than the cold shoulder. "Some home office underwriters unwittingly become expert at that cold shoulder," Mr. DuBois remarked.

The branch office underwriter has

the advantage of proximity to the agents and, as such, is in a position to give faster service and reduce the cost of company-agency communication. A well-rounded branch will include fire prevention and safety engineering services, Mr. DuBois pointed out, and this makes for faster reporting, authorization and cancellations.

An important advantage enjoyed by the branch office underwriter over his remote home office counterpart is that the former, because of nearness to producers, is likely to know most of his agents, either personally or at least as a telephone personality. Because of this familiarity, the underwriter is more apt to investigate a risk rather than to decline it summarily.

### Serves As Production Weapon

Another advantage of having an experienced fire underwriter in the branch office is that it serves as a production weapon. "Without a branch office fire underwriter," Mr. DuBois said, "the agents might tend to give their larger and more technical business to some other company with better and prompter service."

He said that the drawback of branch office underwriting is chiefly economic. It costs money to maintain complete branch fire underwriting facilities. This creates two schools of thought. One says that a company must spend

### Standard Accident Names Lundahl Chief Engineer

Standard Accident has appointed Dean O. Lundahl manager of the engineering department. He joined Standard Accident as an engineer at Indianapolis in 1951, became supervising engineer at Minneapolis in 1952 and at Detroit in 1955. He was transferred to the home office in 1957 and became assistant manager of the engineering department in 1958.

### New Auto Bills In N. Y.

Assemblyman Wallach and Sen. Bronston have introduced bills in New York to prevent cancellation of auto policies prior to expiration except for non-payment of premiums; create a study commission comprised of legislators, and three appointees of the governor, including representatives of the casualty business, the insurance department and the motor vehicle department.

The bills would also increase assigned risk limits from \$10/20 to \$50/100, and would establish a board of review to give insured right to appeal cancellation of his policy.

### Offers Car Lease Plan To Beat Insurance Penalty Points In Tex.

Drivers heavily penalized under the new Texas auto insurance program are offered one escape by an agency in Houston which has devised a plan under which the car buyer may lease his automobile from the finance company until the principal is paid and obtain his insurance under the company fleet plan.

Leasing Inc. of Austin, insuring in Builders & Bankers of Austin, will lease the car to the purchaser for the 36 months finance period. Company fleet insurance is higher than many of the private passenger auto classifications, but still is substantially lower than rates for those who are penalized under the new safety plan. Leasing Inc. will pay taxes, provide license plates and the insurance until the principal is paid. The purchaser may use a \$100 deductible clause for his collision.

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money to make money. The other school asserts that companies cannot afford a man capable of handling a million dollars of premium in a branch with a small volume of fire business. The answer, he said, lies in the theory and practice of the individual company management.

#### Might Exert Undue Influence

He suggested also that propinquity to the production force might exert undue influence on the underwriter's decision.

Mr. DuBois noted that in the past two or three years company after company have closed up their fire branches or returned them to pure production offices. Some have consolidated two to five state branches into one regional branch, and others have moved all operations into the home office or large departmental offices. The reason given for doing so is to reduce underwriting losses and expenses. "It appears to me that this is an admission that production overpowered underwriting in these offices. That is an interesting development and one that should be considered before embarking on any decentralization of fire underwriting. Remember the fact that most agents are equipped to write their own fire policies and do not need the close presence of a company underwriting branch, while the same agents do not write their casualty policies and do need the branch service."

#### Field Man Shoulders Blame

Turning his attention to the field man, Mr. DuBois said it must be remembered that a field man is the company as far as most agents are concerned. If someone goofs at the home office, the blame is placed on the field man's shoulders.

He said he thought about half of a field man's time should be spent inspecting risks for immediate authorization and helping the agent sell desirable business. The other half should be spent in trying to bring out something new, whether it is just an idea

or an explanation of some new form. "The day of the backslapping, lunch-buying special agent, has long since gone," he declared.

In fire production, a field man should be able to look over a risk and accept or decline it right on the spot, Mr. DuBois said. He knows the neighborhood, the agent and he meets the insured. He sees the physical setup of the risk and can give an immediate answer. Of course, he cannot resolve the moral hazard of a risk unless it is

#### AFIA Names Four In U. S. And South Africa

American Foreign Insurance Assn. has named Kent G. Tyler, formerly assistant manager at Los Angeles, as manager at San Francisco. John M. Lyons, formerly Manila manager, was made supervisor for southern Africa at Johannesburg where he replaces Fred J. Parmentier who is being transferred to New York.

Mr. Tyler replaces Alfred E. Lampe, Pacific Coast manager, who has been assigned to the U.S. brokerage department at New York.

#### Mich. Millers Has Gains

A 15% increase in premiums was reported at the annual meeting of Michigan Millers Mutual. Net writings in 1959 were \$16,775,798. Surplus was increased \$441,663 to \$9,887,196, and a 10% gain in assets made that figure \$27,555,486.

#### New Package In Indiana

American States has introduced what it calls a 4-D mortgage service plan under which homeowners, life insurance, and A&S coverage are packaged and marketed through lending institutions. The borrower gets mortgage life insurance, disability income coverage on his mortgage payments, and a homeowners policy. The policies are separate, but the buyer makes one monthly payment to the lending institution holding his mortgage.


a flagrant one. Therefore, the field man's authority should be limited to acceptance on a physical basis only, leaving the underwriter the privilege of later declination if a moral hazard should be discovered.

#### Production Will Win Out

Since many companies are competing for the same agent's business it is natural that the average field man will be wearing slightly rose-tinted glasses whenever he looks over a risk. "In the battle of production vs underwriting, production will win out al-

most every time unless the risk is a real skate," Mr. DuBois declared.

He concluded that there are definite advantages and just as many disadvantages to underwriting by home office, branch office or field force. "... I do not feel that the 'or' is really the answer. It cannot be done correctly or completely or expertly by any one of these three groups. The 'or' must be changed to an 'and' in order to do the job in an acceptable manner. There must be complete cooperation and understanding and confidence between all three segments."



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Chicago

## Standard Accident 1959 Results Improve

(CONTINUED FROM PAGE 10)

an increase of 6.8%. The present annual dividend is covered nearly three times by investment earnings.

Consolidated assets increased \$7,155,510 to \$141,080,305. A very liquid investment position is maintained. Cash plus all bonds due within five years amounted to \$41,608,000 which was 39.4% of the total reserves for unearned premiums and for claims and claim expenses.

The companies have a net operating

loss carry-forward of approximately \$9 million, and thus can earn that amount of normally taxable operating profits within the next few years without incurring federal income tax.

Pilot had one of the best of its 22 consecutive years of profit. Premium volume increased 12.6% to \$4,663,467, of which 79.7% was automobile. Loss and expense ratio to earned premiums was 54.3% in 1959, and the ratio of underwriting expenses to written pre-

miums was 31.6%, indicating a profit of 14.1%. Gross surplus increased \$496,365 to \$3,497,967.

### Auto Still Disturbing

President L. K. Kirk commented that the auto situation is still disturbing and accounts for the bulk of the 1959 underwriting loss. "One of the interesting, as well as significant, facts developed in our statistics is that the frequency of automobile BI claims has risen steadily in the last several years, but there has been no corresponding increase in the frequency of automo-

bile PDL claims. In fact, PDL claim frequency has not increased appreciably, which would indicate that the actual frequency of automobile accidents has leveled off. Why then a nearly 25% increase in BI claim frequency if accident frequency has not increased? Undoubtedly, we and the industry are receiving and resisting, but in many instances paying, more minor or fictitious injury claims exaggerated and blown-up out of proportion to their merits. The desire to get something for nothing is thus reflected in our statistics and is one of the reasons the automobile problem is so difficult to solve. For the last several years there have been rate increases for the automobile classes, yet the premium we earned in 1959 per BI claim was less than 3% greater than in 1955. Thus the increase in claim consciousness of the public as represented by claim frequency has largely offset the rate increases we have secured. At the same time, the average cost of claims has risen; on the auto BI claims our estimated costs have increased more than 12%."

### Kroll Agencies Dismissed In Ohio Hearing On Michigan Surety Status

Judge Bell at Cincinnati has appointed Superintendent Stowell custodian in Ohio of Michigan Surety with power to collect any money which is due the company from organizations owned by Mark Kroll.

The judge dismissed Mr. Kroll as an individual defendant in this case and lifted the temporary injunctions which restrained his three local agencies, Willmark agency, Agency Corp. of America and Surety Underwriters from disposing of any assets belonging to Michigan Surety.

Mr. Kroll has stated he felt this to be a victory for his position.

"I'm very gratified at the decision of Judge Bell vindicating the charges against me personally and for his dismissal of me personally," he said. He added he was pleased with the dissolution of the restraining order against the agency because "this permits me to operate my businesses successfully."

Referring to a statement in the decision in which the judge said Ohio laws do not limit agencies in their investment, Mr. Kroll said:

"The court showed its grasp of the situation by distinguishing my personal investments from those held by the insurance company. My investments have received great publicity, but they were my personal investments and not those of an insurance company."

Mr. Kroll's license and those of his agencies have been revoked by the department and a hearing will be held on this within 30 days.

### Stephan Is New Zealand Fire, Marine Loss Head

New Zealand has appointed William C. Stephan superintendent of the U.S. fire and inland marine loss department. He had been with North America for 13 years and headed the fire and marine claims department. Before that he was claims manager of Talbot, Bird & Co.

Insurance Women of New York, at the January dinner at Fraunces Tavern, heard Lt. Col. Marjorie O. Hunt, chief of administrative services of the continental air command at Mitchell Air Force Base, speak on her travels in Asia.

## THE WESTERN COMPANIES

### THE WESTERN CASUALTY AND SURETY COMPANY

### THE WESTERN FIRE INSURANCE COMPANY

Statements of Condition at December 31, 1959

#### ADMITTED ASSETS

	The Western Casualty and Surety Company	The Western Fire Insurance Company
Cash on demand deposit.....	\$ 1,903,148	\$ 1,786,492
*United States Government, state and municipal bonds .....	28,984,178	16,478,240
*Corporate stocks .....	3,605,856	5,580,077
Total cash and investments.....	\$34,493,182	\$23,844,809
Investment in Western Fire Insurance Company .....	8,077,215	—
Real estate .....	—	568,626
Premiums in course of collection (not over 90 days due) .....	11,824,868	1,719,050
Accrued interest and other admitted assets .....	1,721,663	701,451
Total admitted assets.....	\$56,116,928	\$26,833,936

#### LIABILITIES

Reserve for unearned premiums.....	\$18,433,752	\$14,653,004
Reserve for losses and loss adjustment expenses .....	16,971,721	2,524,515
Taxes and all other liabilities.....	1,704,340	1,575,161
Total liabilities, except capital.....	\$37,109,813	\$18,752,680
Capital .....	\$ 3,000,000	\$ 1,000,000
Surplus .....	16,007,115	7,081,256
Surplus as regards policyholders.....	\$19,007,115	\$ 8,081,256
Total .....	\$56,116,928	\$26,833,936

Securities carried in above statements deposited for purposes required by law... \$ 1,230,320 \$ 595,544  
\*Eligible bonds amortized; other bonds and stocks at December 31, 1959 market values as prescribed by the National Association of Insurance Commissioners.

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E. H. Morrison..... Vice President  
W. L. Gench..... Secretary  
M. L. Hurst..... Treasurer  
E. H. Morris..... Auditor  
E. H. Allen..... Ass't Secretary  
M. D. Crown..... Ass't Secretary  
Gordon Fisher..... Ass't Secretary  
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## Eight Are Advanced By Northwestern Mutual

Northwestern Mutual has promoted Howard D. Heath and Frank J. Calkins Jr. from assistant vice-president to vice-president, and Frederick J. Orth, assistant general counsel, has been elected vice-president.

Mr. Heath is manager of the eastern-southern division at Chicago. Mr. Calkins is assistant manager of the home office fire underwriting and reinsurance department. Other home office promotions went



F. J. Calkins Jr.



H. D. Heath

to A. Bertilson, who has been named controller; Valdo Volta, assistant secretary and manager of the electronic data processing department; Foster F. Sleight, assistant secretary in the accounting department; Carl W. Jarvie, manager of the accounting department, and W. A. Robinson, manager of the electronic data processing systems and procedures department.

## Non-Hospital Charities Held Immune In O.

(CONTINUED FROM PAGE 1)

trial court's holding. The supreme court opinion restates the old common law principle that charitable institutions are liable to beneficiaries—which term includes people who pay for services—only where there has been negligence in selecting servants, with the Avellone case providing an exception only as to paying patients in hospitals.

A case similar to the YWCA case

has been expected in Ohio ever since the Avellone case was decided, because the opinion in the latter case is very short and not at all specific about how far it was intended to go. There have been several lower court cases in various parts of the state, involving churches and similar institutions, with varying holdings.

### Not Firm On Principle

Actually, the holding in the Gibbon case, although unanimous in favor of the YWCA, does not seem firm on the immunity principle. Three of the seven justices dissented from the holding that the Avellone case applies to hospitals only, holding instead simply that a case of negligence had not been made out against the YWCA. Hence, in effect, there was only a 4-3 holding that institutions other than hospitals are exempt from liability, obviously leaving the situation vulnerable to a change in court personnel.

Although the opinion does not say so, observers assumed that the four judges who held that the liability principle applies only to hospitals must have been impressed by the difference between the 35 cent fee paid for use of the YWCA swimming pool and the charges paid by hospital patients.

## Auto Filing In Conn.

National Bureau and National Automobile Underwriters Assn. will file the special auto policy combined with the safe driver rating plan in Connecticut. They will ask for approval effective March 31.

## Berry Replaces Strong As IAAHU Associate Editor

International Assn. of A&H Underwriters has appointed James Berry associate editor of the A&H Underwriter magazine. He succeeds Darrell Strong, who has joined the news staff of WGN-TV, Chicago. Mr. Berry is a journalism student at Northwestern University.

## Spargur Is L. A. Special

William N. Spargur Jr. has been appointed special agent for Los Angeles by Industrial Indemnity. He joined the Los Angeles division in 1956 and has been an underwriter there.

## Offers Mass. Bonding \$45 Per Share

(CONTINUED FROM PAGE 1)

dition to the regular quarterly of 40 cents, and said this reflected the favorable results for 1959 and the confidence management has for the future.

Transamerica Corp. and Montgomery Ward & Co. have been mentioned as possible principals in the Bankers Trust offer, but it is understood neither of them is.

Mr. Peirson said that the company will put its stock on a regular \$2 an-

nual dividend basis beginning with the next quarterly payment in May. He said this action had been planned for some time but in the interests of the stockholders an early announcement was being made prompted by the offer for the stock by the undisclosed group.

George C. Dangman, vice-president Johnson & Higgins, will be the speaker at the luncheon meeting Feb. 25 of the New York chapter of American Society of Insurance Management at the Sheraton-Atlantic Hotel. He will speak on marine cargo insurance.

### "AND WHEN THE RAINS CAME"

*Cheap insurance is the worst kind of insurance. It is like a cheap house. Everything is fine as long as nothing goes wrong. When something goes wrong, it does so with devastating completeness, usually because the foundations are built on sand.*

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## Urges Agency Analysis As Expense Control

D. R. Ruetz, assistant treasurer of Badger Mutual, in his talk at the fire conference of Conference of Mutual Casualty Companies in Chicago, suggested an analysis of a company's agency plant and the individual agent's portfolio of business as a "latent potential" for an expense control program.

The most common motivation for agency analysis is usually one of

problem solution, Mr. Ruetz noted. This carries with it a negative connotation in that it is more curative in nature than preventive. Among the more popular reasons for such an analysis is an adverse loss ratio, a declining or perhaps static premium level or such expense problems as slow pay or lack of reasonable co-operation.

Often overlooked stimuli for agency

analysis, of perhaps equal importance and with constructive implication, he said, are an evaluation of company services, acceptance of the product or system of merchandising within a given area, or a determination of how effectively and efficiently a company's procedures or automated methods may fit the producer.

Mr. Ruetz said certain by-products are available to management by this means of agency analysis. These may include an indication of employee effectiveness or possible short-comings

in such areas as: field sales personnel, claim personnel (salaried or independent), and home office underwriting or loss department personnel.

Many companies have rather elaborately staffed personnel departments whose functions normally include lengthy and detailed testing facilities to select people over whom almost constant control is exercised. A clerk or trainee employed for the home office underwriting department must wait months and even years before being entrusted with decisions of any consequence involving underwriting judgment or company policy. During this time he is under constant surveillance and guidance by qualified persons in supervisory positions. He is called upon for neither underwriting decisions nor decisions of policy, he normally handles no company funds and is in no manner associated with loss payments.

On the other hand, a newly appointed producer is entrusted with the equivalent of a blank check book. To him is given the primary function of risk selection. He accepts binders, issues policies, collects and receipts company funds of which he may even prepare an accounting and for which he need not remit until 45 days after the effective month of the policy in many instances. Should a loss arise, the producer will often times find himself in the position of representing both company and claimant; his actions and judgment can then materially affect the disbursement of the company's loss payment.

A unique responsibility is given the field man, who, in addition to the other demands made of him, is asked to function as a personnel manager in the selection of producers; people who will have a minimum contact with other company personnel but who exercise a far greater influence upon the operations of the company than many home office personnel.

Most companies, Mr. Ruetz said, have a few large volume plants, several small or low-producing representatives, and a majority of agencies with average volume.

Within each group are profitable accounts offset by unprofitable accounts; agencies with collection problems, others with high rejection ratios, some almost self reliant, others seeking guidance and counsel in even the most minute matters. How then, he asked, is one to proceed with the proper evaluation or agency analysis of such widely varied accounts?

One start is to review the experience of each producer. This is one of the most indicative measures of any agency and yet one often beset with pitfalls unless properly utilized. A loss ratio computed by dividing the premi-

(CONTINUED ON PAGE 34)



This is no joke. The sure way to profitable comp and liability business is via the renewal route. And the surest road to renewals is through lower costs, combined with prompt, realistic claim service. That is why more and more agents are using Bituminous' specially tailored, individualized rating plans, and relying upon Bituminous' safety engineering to reduce losses and produce savings for the insured. The flexibility and open-mindedness of Bituminous' underwriting — appraising each risk on its own merits — can put you in a competitive position

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## Fla. Cites Eligible Surplus Line Covers

Commissioner Larson of Florida has issued an order, effective Feb. 18, specifying approximately 75 types of coverage which may be placed in eligible surplus line insurers without complying with the export eligibility requirements of the Florida law.

Mr. Larson pointed out that while it is the intent of surplus line regulation that the authorized market must be exhausted before business can be exported, it is also intended to provide a readily available market. His new order, therefore, does not supersede the law. Any one or more of the coverages listed as eligible for export will be deleted immediately when an adequate and reasonable authorized market becomes available. Notice of such market will be sent to interested persons.

Mr. Larson has called a hearing June 1 to explore adequacy of markets. At that time consideration will be given to establishing classes of coverage or risks by territorial divisions.

## Thorn, Brewster, Pollard For N. J. Agents Midyear

New Jersey Assn. of Insurance Agents will hold its annual midyear meeting at Stacy-Trent Hotel, Trenton, March 15.

The morning will be devoted to reports by Ira F. Weisbart, Jersey City, president; John S. Sheiry, Bridgeport, state national director; William L. Doyle, managing director of Road Aid; and Edwin M. Rothberg, Plainfield, casualty committee.

Speakers in the afternoon will be William H. Brewster, special public relations assistant to the general manager of National Bureau; William A. Pollard, executive secretary of NAIA; and Craig Thorn Jr. of Hudson, state national director of the New York association.

## Hughes, Mills Appointed By Wilshire Ins. Co.

Wilshire Ins. Co. of Los Angeles has appointed Paul L. Hughes assistant secretary and controller and Edmund O. Mills claims manager.

Mr. Hughes was with Harbor as assistant secretary, assistant treasurer and controller. Before that he was with American for 15 years, and with Balboa and Joseph Froggatt & Co.

In insurance since 1929, Mr. Mills has been a claims examiner for the California department and was also with Argonaut and National Automobile & Casualty.

## Would Form Commission To Pick S. C. Commissioner

A South Carolina legislative committee which has studied insurance department problems favors selection of the state insurance commissioner by a special commission. The commission could be composed of three appointees of the governor and six elected by the assembly. Alternatively, a commission entirely appointed by the governor would be acceptable.

The subject of election of a commissioner has attracted wide public interest in the state. The legislature currently elects the commissioner. All parties to the discussion emphasize that the suggestions for a change are no reflection on the present holder of the office, R. Lee Kelly, 73, who was elected in 1956, and wishes to retire in June.

## 2 To Fund Group Posts At Philadelphia, Buffalo

Firemen's Fund has appointed Milton E. Walters and E. F. Heinlein group managers at Philadelphia and Buffalo, respectively. Mr. Walters will supervise operations in eastern Pennsylvania, southern New Jersey and Delaware. Mr. Heinlein replaces Clarence H. Sutphin Jr., who went to a similar position at New York.

## N. J. Court Comments On Duties Of Drunk Riders

While intoxication does not constitute contributory negligence, it does not excuse a voluntary passenger in a car being operated in a "maniacal manner" from being prudent, the appellate division of New Jersey superior court ruled in remanding for a new trial a damage suit in Union county.

The case arose from an accident in 1957 when Eldon Tabor and Edward Callahan were rear-seat passengers in a car being driven from Elizabeth to Newark by William O'Grady. Tabor allegedly admitted he was intoxicated, but O'Grady was not, according to the evidence. Testimony in the trial court indicated that the car was driven at high speeds and finally struck an iron pole. The trial jury awarded Tabor \$25,000 and Callahan \$424.

On appeal, the superior court said that the mere fact that the passengers, or either of them, were intoxicated does not excuse them from the charge of contributory negligence. While the passenger ordinarily has no duty to control or direct the driver, there is a point where passive reliance upon the driver ends and the duty to take affirmative action begins. When it becomes apparent that the vehicle is being driven negligently, reasonable care requires that the passenger protest or remonstrate with the driver. Intoxication does not excuse acts or omissions which fail to conform to the conduct of a reasonably prudent and sober man, the court concluded.

## Hartford Fire Names Two To Pacific Auto Posts

Hartford Fire group has appointed John D. Cavanah and John F. Heinbockel assistant automobile superintendents in the Pacific department. Mr. Cavanah is being transferred to San Francisco from Phoenix where he has been special agent. Mr. Heinbockel has been a supervising underwriter at San Francisco.

## Oscar Beling Enters New Field

Oscar Beling, who recently retired as manager of the agency systems department of Royal-Globe, has become a partner in Nassau-Suffolk Employment agency in Hempstead, N. Y. He will develop an insurance agency personnel department. In connection with this work, Mr. Beling intends to devise educational courses in various aspects of agency activity. His new field of endeavor ties in with his long and active interest in the problems of agency operation and perpetuation.

## Women Of Region VI To Meet

Insurance Women of Houston will be hostesses for the Region VI conference of National Assn. of Insurance Women March 4-6 at Houston. More than 300 are expected to attend, including Mrs. Marion Walker, president of the national association. Region VI is composed of Texas, Oklahoma, Arkansas and Louisiana.

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For small, sound, rapidly growing casualty company. Immediate duties will be distribution of our auto apps. on military installations. Travel three or four states out of Jacksonville, Florida. Write Box M-43, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Small rapidly growing progressive casualty company. Florida east coast. Ideal working and living conditions. Forward resume to Box M-30, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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for general agency operation in Virginia and North Carolina to write hail insurance on growing crops. Replies and negotiations in confidence. Write Box M-50, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Large Chicago Brokerage firm, with international facilities requires a young man with Rating Bureau background for their expanding Engineering staff. Agency or Company experience is desirable, but not necessary. Salary is open. Interested applicants please forward complete resume. Address Box M-22, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### COMMERCIAL SALES REPRESENTATIVE

Progressive multiple line stock direct writer of commercial accounts offers unusual opportunity to proven producer. Desire man 30 to 38 with college and CPCU background. Furnish complete resume self and abbreviated resume wife along with recent photographs. Box M-31, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED:

Experienced auto casualty agency supervisor—Underwriting knowledge essential—Would represent small progressive company at agents' conventions—Location North Florida—Salary open. Reply to Box M-40, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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### CASUALTY UNDERWRITER

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Heavy experience in personnel and management. Prime Loss Dept. Manager. Resume upon request. Will relocate. Salary requirement, low 5 figures. Reply Box M-26, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### AVAILABLE after April 1st.

Experienced agency manager and producer, capable of handling large general agency. Now located in mid-west, but will move anywhere with proper set up. Will send resume on request. Reply Box M-47, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## Manpower Is Key To Marketing; Role Of Personnel, Training Officials Is Vital

(CONTINUED FROM PAGE 1)

business." Today the company which does not recognize personnel and training executives as being in the business and playing a role second to none in importance is asking for trouble.

The key to individual company progress in the era ahead will be aggressive management, intent not on meeting but beating competition. This type of management will grow out of the talent discovered and developed by personnel officers and training directors, working within the framework of enlightened company directives. It can't come from any other source.

This means that the two officials in question must be given different directives and a broader scope of operation than they have enjoyed in many companies in the past. For many years, personnel men—at management's direction—have stressed to the men they have recruited and to other beginners the security aspects of insurance employment, the fringe benefits and other conditions of permanence. Since some of the persons thus attracted ultimately graduated to officer rank, it is not surprising that some insurer managements have not been notable for competitive characteristics. For many years this failing was not considered too serious. Today it is decidedly so; tomorrow it will be fatal.

### Competitive Philosophy

If an entire business seeks to attract only security minded persons, and if that business is then dominated by rules of seniority or by other similarly negative policies of promotion, it is likely to find ultimately at the heads of the leading companies men who are governed by a protectionist philosophy.

### SPECIAL AGENT CENTRAL ILLINOIS

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### WANTED...

Stock company for auto physical damage operation in southern territory. State insurance laws allow independent company filings in excess of manual. Can furnish substantial volume. Reply in strict confidence to Box M-57, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

However, if the companies, or even one or two of them, select able young men for training, maintain keen competition among them for promotion, offer proper rewards upon advancement, and keep promotional policies free from favoritism—there will be an inevitable rise to the top by men to whom competition is second nature.

Competition within any business naturally depends upon the attitudes of individual company managements. A business dominated by management which places security above progress and expansion is likely to be only mildly competitive. This is another way of saying that competition—which finds its expression in marketing—is fundamentally a matter of "people doing things." It cannot be explained in mechanistic or quantitative terms.

Automobile making is a good example. Even though there are only a few companies which account for the total sales, there is no evidence of a decline in aggressive competition. Some may wonder why the few manufacturers in the auto business do not agree upon methods of tempering competition. The answer is that the men managing these companies are not protectionists.

### Heart Of Problem

There are other businesses in which the degree of concentration is not nearly so pronounced as in the auto industry, but in which competitive attitudes have not been nearly so conspicuous. If this has been the case in insurance, as some contend, it will not be for long, because the competitive issue has been forced upon older insurers by relative newcomers in the business.

Insurer presidents and their colleagues are now largely preoccupied with planning to keep their companies in the forefront by progressive changes in marketing. Sooner or later, they come to the heart of the problem—manpower. This is not an isolated consideration. It must be dealt with in terms of organizational structure and company policy.

Edward N. Hay & Associates, management consultants of Philadelphia, have evolved a procedural guide for management in dealing with the manpower problem. In this procedure executives must first ask themselves if their organization has a philosophy of management which is recognized, understood and practiced by managerial and staff personnel. Here "philosophy" is the way management thinks about people, things and ultimate objectives. It is determined by the attitudes of the men at the very top of an organization.

### Other Considerations

Executives should also study whether company objectives have been clearly stated so that they are understood and accepted. It must be realized that these objectives can only be attained through integrated operations. In this regard, it is worthwhile to consider that while a marketing department is not the entire company, the entire company is a marketing department—a fact which some insurers have been slow to grasp.

Another consideration for company presidents is whether the company is organized to fulfill its objectives. Organization is not achieved by a formalized chart. That accomplishes nothing. Executives and staff members must give it life. They cannot do so



unless they know exactly what is expected of them. Every man and every job is accountable for doing something which makes a measurable difference in company results. Each is accountable also for helping others achieve the results all are striving for. When an executive understands his accountability and his inter-accountability, he will see his job in a new light.

Job descriptions put meat on the bones of organization charts. They not only help men to see their jobs more clearly, but they are the starting point for an analysis of the organization and its performance. They pinpoint areas where there is confusion in lines of action, where there are overlaps, and where some important functions fall between two posts.

#### Important Questions

Presidents and their colleagues must also consider whether their company salary structure is designed to attract good personnel, to keep them and to motivate them to better performance. Determining how salaries, fringe benefits and other considerations stack up against similar payments by others in the same business or in other lines for work of like worth, is a prime and continuing responsibility of top management. Salary administration is tied in with this. In some companies, top officers become embroiled in matters having to do with pay increases. But other companies have wisely decided to "slot" jobs, up to the highest in pay ranges, and to delegate action down the line for granting specific increases within the bounds of budgets and prescribed company policy.

A realistic appraisal of a man's performance must, of course, consider the specifics of a man's job and the results that are expected of him. Here again clear knowledge of what a man is accountable for is essential. It also helps in counselling men on ways of improving themselves.

All of these considerations lead to the question of how a company's manpower resources shape up for the future. Is management successfully recruiting young men and determining who is the most promising among them? Beyond that, is it really training and developing such men to replace key executives, or does it expect them to grow into these capacities merely by association and practice with their superiors?

#### New Directives Needed

A crucial consideration for insurers is that those who presently manage the companies were grounded in a philosophy, and trained and developed in methods which no longer are fully applicable to current conditions in the business. Obviously then, younger men who are to supplant management must be given new directions. Their energies and aspirations must be guided toward realistic goals. This brings management back to its starting point in considering its future—determination of the company's philosophy and its objectives. These must be established before specific goals for each man can be determined.

Insurers today are honestly trying to improve the mechanics and methods of operation. The key to such improve-

## N. Y. Commission Bill On Rerun To Governor

The New York assembly has passed the Barrett bill which requires that adjustments in commission rates or in other phases of the acquisition costs of property and casualty insurers must be based on the most recent pertinent experience of the companies. A companion measure is also being considered in the assembly.

Last year a similar bill couched in different terms passed both houses but was vetoed by Gov. Rockefeller. That bill stipulated that in connection with such reductions the superintendent of insurance had to take into consideration a reasonable rate of commission for agents and brokers.

This year's bill, like the 1959 version, has the solid backing of producer groups in New York. National Bureau has long been on record in opposition to any legislation which involves past acquisition cost experience as a factor in commission rates.

## Good 1959 Results For Providence-Washington

Providence Washington's 1959 underwriting profit, net operating gain and combined loss and expense ratios were at the best levels since 1949, Roy E. Carr, president, reported to stockholders. Gain on underwriting was \$650,738 compared with a loss of \$446,520 in 1958. Policyholders surplus was up \$1,739,288 to \$15,803,757.

Incurred to earned loss ratio was 57.3 and incurred to written expense ratio was 41.1 for a total of 98.4. Comparative ratios for 1958 were 59.9, 42.7 and 102.6.

#### Net Premiums Down

Net premiums were down 1% due to cessation of business through Canadian agents and to the reinsurance of the Canadian unearned premium reserve. Written premiums in the U. S. were up 5½%.

Investment income rose from \$1,072,119 to \$1,112,597. Operating profit was \$1,763,335. Earnings per share were \$4.01 against \$1.16 the year before.

Mr. Carr noted in his report that Providence Washington as a medium sized company is particularly adapted to maintain the independence of the local agent. He declared that insured is entitled to and needs an advocate not only in placing his insurance on favorable terms but also in collecting losses. Only the independent agent or broker fills this need, he stated.

ment is better men imbued with co-operative spirit. This means that men already on the payroll must be improved, and constant additions to a continually upgraded staff must be made. These are two tall orders, but they must be filled.

Personnel and training directors will have to lead the company's activities in the most important function of management—manpower development. Company executives, who still regard these two officials as "not in the business," may some day find themselves in the same position—in a far more literal sense.

## Three Elevated By Employers Liability

Employers Liability has named Hans Barber territorial supervisor in the agency department and Joseph V. Stanford superintendent of the education department. Joyce Mitchell has been placed in charge of advertising.

Mr. Barber joined the group as fire state agent in Connecticut in 1953 and has since been assistant regional superintendent in the New England department and later superintendent of

the home office education department.

Mr. Stanford, with the group since 1954, has been in the forms department, in the fire and casualty underwriting departments, and most recently was an instructor in the education department. Miss Mitchell was editor of Employers Owl and Pioneer magazines prior to her promotion.

Camden-Gloucester County (N.J.) Independent Insurance Agents Assn. has named William H. Paul of Merchantville insurance man of the year.

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CHICAGO 47

## Says Analysis Of Agencies Good Way To Control Expenses

(CONTINUED FROM PAGE 30)  
ums written into the losses paid requires extreme care in interpretation. If the agency's production is growing rapidly or its portfolio comprises a large volume of three or five-year business, the false indication of an apparently tolerable loss ratio may be developed because of the workings of the unearned premium reserve. In

reality the true loss ratio developed by the use of incurred losses and earned premiums might develop a serious underwriting loss.

Mr. Ruetz said it may be well to recognize the almost total absence of credibility in the experience figures produced by typical agencies. At best, these figures are an indicative guide, helpful in evaluating, but of meager value if considered separately.

With the agent's loss ratio experience and a thumbnail sketch of his underwriting book as it relates to classes of protection, insurance to

value, and selection of risk, a preliminary impression of the producer may be obtained and the company may draw some conclusion as to its relative position within the agency, Mr. Ruetz declared. "Now that we have entrusted company funds to the producer, how satisfactory has been his stewardship? If we have a loss frequency problem, is it due in part to an absence of selection or have renewals been sold by soliciting claims usually too old and too cold to support proper investigation?"

If agency analysis is undertaken solely with the intent of purging agency ranks or of "wielding a hatchet," then agency analysis has assumed its most shallow meaning, Mr. Ruetz said. Only as it is applied to the broader scale of updating and upgrading a company's operational policies, systems, and producers can it be effective in reducing overhead by improved merchandising techniques.

To terminate agencies today, only to replace them with others of similar caliber, is to embark on a pointless trip upon an endless treadmill whose only destination can be the despair of increased overhead, he added. Agents on the roster today have incurred for the company all the expenses of their appointment. Home office records, mailing routines, and accounting procedures provide for the efficient handling of their business.

### Pre-existing Condition Does Not Disqualify Comp Award In Minn.

ST. PAUL—Minnesota supreme court has held that a pre-existing disease or infirmity of an employee does not disqualify a claim arising out of employment if the employment "aggravated, accelerated or combined with the disease or infirmity to produce disability."

The court upheld a workmen's compensation award to Mrs. Pauline Gilbert, a saleslady who developed a permanent foot disability. Her employer asked the court to review the state industrial commission decision granting her \$2,520 plus expenses. The employer contended that the disability resulted from an aggravation of a previous injury not connected with her employment.

### Harleysville Companies 1959 Operations Improved

Harleysville Mutual and Harleysville Mutual Casualty had a consolidated underwriting loss of \$454,000 in 1959 compared with a loss of \$1,645,000 in 1958. Premiums written rose by \$2,507,000 to \$26,713,000. Policyholders surplus was \$11,848,000 at the end of 1959.

Investment income in 1959 was \$1,125,000 against \$848,000 in 1958. After taxes, net income was \$412,000. Assets were up 15% to \$40,751,000. Arthur Alderfer, president, reported that auto liability experience in 1959 continued to be most unsatisfactory, producing an underwriting loss of \$869,000.

### Compulsory Auto Plus Merit Rate In R. I. Bills

Bills to provide for compulsory auto insurance with merit rated plans have been introduced in the Rhode Island legislature. Compulsory bills were defeated in three previous years, but proponents now feel that merit rating will overcome insurers' fears of undertaking risks now uninsured. Proposed compulsory limits are 12/20/5.

## Say Rinehart Exceeded Authority In Banning Credit A&S In Alabama

A&S companies, during a hearing called by Superintendent Rinehart, said he exceeded his authority with his recent order forbidding the issuance of credit A&S in any form by companies licensed in Alabama.

The companies told the superintendent they felt his order was unreasonable and asked that he rescind it and give them permission to resume business under supervision. The superintendent gave no indication when he might decide on the request.

Another hearing on the same subject, this one for life companies, was held Feb. 19.

### Walker Is Appointed

Harry M. Walker has been appointed assistant vice-president of Interstate



Harry M. Walker

Fire & Casualty and Chicago Ins. Co. He will head the claim departments of both companies, which are managed by George F. Brown & Sons.

Mr. Walker most recently was with American Equity group and prior to that he was in the claim department

### Detroit Women Set Education Day

The annual education day will be held Feb. 20 by Insurance Women of Detroit. Speakers will be Rod Wasmuth, assistant secretary and manager Great American, on fire and allied lines; Rod Stankey, underwriting supervisor Zurich, on casualty; C. A. Keith, resident vice-president Fidelity & Deposit, on fidelity bonds, and Carl Strong, director of insurance program Michigan State University, on "Requirements of an Insurance Girl." A fashion show will be the luncheon feature.

Zurich has promoted Francis J. Kowalski to claim superintendent at New Haven. He was claim supervisor of the New York metropolitan office.

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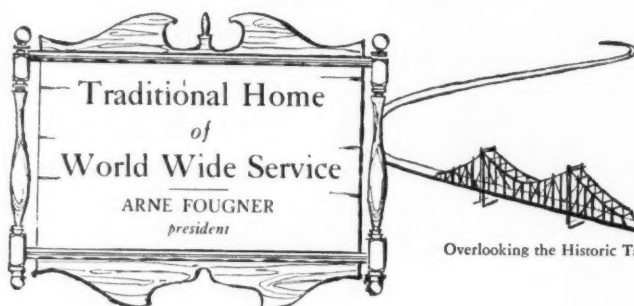
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## To Take Forward Look At Pittsburgh I-Day

Pittsburgh I-Day will be held March 8 at Golden Hilton Hotel. Speakers on the program include Commissioner Hammel of Nevada, president of National Assn. of Insurance Commissioners; James C. O'Connor, secretary of the National Underwriter Co. and executive editor of the F.C.&S. Bulletins; and Porter Ellis of Dallas, vice-president of National Assn. of Insurance Agents.

Speakers will base their talks on the theme of the program—a forward look at insurance.

**Garden State Pond of Blue Goose** will hold its annual Saint Patrick's dinner and dance at Hotel Suburban, East Orange, March 12.

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## Underwriting Profit For Peerless In 1959

Peerless realized an underwriting profit of \$796,308 in 1959 compared with a loss of \$2,257,574 in 1958. Premiums written declined from \$17,707,632 in 1958 to \$15,793,516. Policyholders surplus went from \$6,779,047 to \$8,075,005 in 1959.

Incurred to earned loss and expense ratio was 55.6 and ratio of other incurred expenses to earned premiums was 39.7. The ratios in 1958 were 68.7 and 43.5.

Investment income was \$1,057,090. Net operating profit was \$1,869,514 or \$3.38 a share. John O. Talbot, president, reported that the increased valuation of Peerless interest in United Life & Accident contributed to the surplus increase. United L. & A. increased its volume in force by 16% in 1959 to \$410,662,684.

## Elected By Tennessee Casualty & Surety Unit

Casualty & Surety Assn. of Tennessee, at its annual meeting in Nashville, elected H. H. Robinson of Richards, Scott & Lyle, president; Paul C. Cost Jr., American Casualty, vice-president; J. W. Baxendale, Royal-Globe, secretary; and James G. Levey, American, treasurer.

## Propose \$3 Million Fund For Va. To Self Insure

A bill has been introduced to have Virginia self insure its fire business. The proposal would set up in the state treasury a fire and extended coverage fund with an initial appropriation of \$1 million. This would be repaid to the general fund as soon as fire premium contributions paid in by the various state departments and agencies equal that amount.

Virginia owns buildings and structures with an insurable value of more than \$222 million. Contents of these buildings have an insurable value of more than \$47 million.

It is reported that the state has been paying annual fire premiums of \$281,700 to private insurers. The average annual fire loss based on records of the past 10 years has been somewhat over \$80,000.

The fire fund would be frozen at \$3 million, and any surplus contributions and earnings would go into the state general fund.

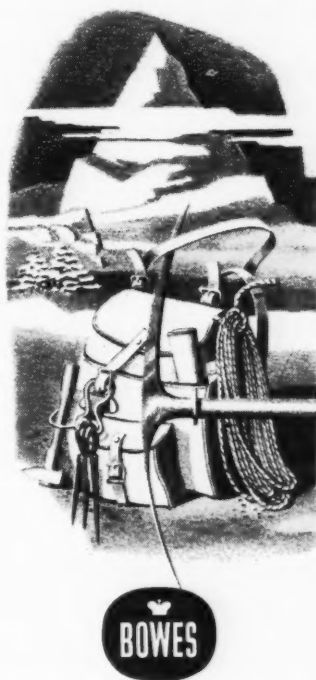
## WIIS Condenses, Reissues Booklet

Western Insurance Information Service has issued a condensed reprint of its booklet, "Casualty Insurance: The Umbrella of Protection." The booklet is to be supplied at no cost to schools, libraries and other public institutions.

At the National Assn. of Insurance Agents' executive committee meeting in New York, the Forand bill and possible countermeasures were discussed. NAIA has not voiced an official opinion on the proposal to provide medical and hospital aid for the aged through the social security program, but state associations will be kept advised on developments.

Clifton W. Jacobs, assistant vice-president of Liberty Mutual, has been named to the newly created post of director of research and planning for the personal lines department. He has been director of sales of that department. Mr. Jacobs joined the company as a salesman in Washington, D.C., in 1936.

# Reach the Summit of Efficiency



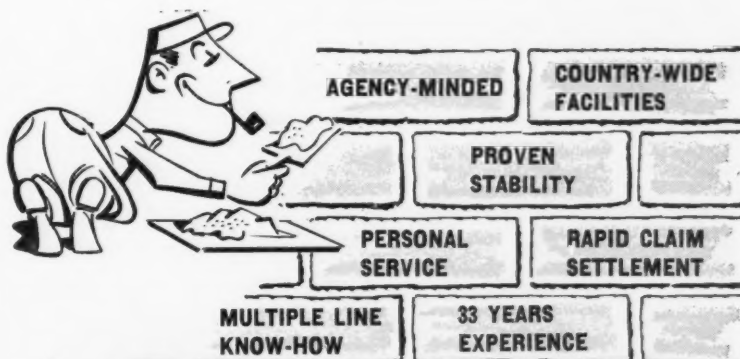
You meet the full requirements of some clients without difficulty; with others it is touch-and-go every day of the year. Prize accounts are usually the big ones. But they are target risks as well—subject to the constant penetration of competitors.

The strategy you use to keep the horizon bright can rest, in a large measure, on your markets and sources. Bowes & Company has always maintained an enviable reputation in the special risk field for helping

producers shape total programs in just the right way at just the right time. We call it imaginative underwriting. Add to this every conceivable sales support and you begin to understand how Bowes & Company can help you 'reach the summit of efficiency' more quickly and profitably.

## Bowes & Company, Inc.

135 SOUTH LA SALLE STREET • CHICAGO 3 • ILLINOIS  
99 JOHN STREET • NEW YORK 38 • NEW YORK



STILL BUILDING . . . upon outstanding service to independent agents.

**TRINITY UNIVERSAL INSURANCE COMPANY**  
Dallas, Texas



# Annual Statements

Balance sheet of **THE HOME INSURANCE COMPANY** • December 31, 1959

## ADMITTED ASSETS

United States Government Bonds . . . . .	\$ 82,416,114.31
Other Bonds . . . . .	142,130,312.75
Preferred and Common Stocks . . . . .	282,291,778.44
Cash in Office, Banks and Trust Companies . . . . .	16,454,412.28
Real Estate . . . . .	6,235,128.22
Agents' Balances or Uncollected Premiums . . . . .	
Less than 90 days due . . . . .	49,803,904.38
Other Admitted Assets . . . . .	11,012,778.04
<b>Total Admitted Assets . . . . .</b>	<b>\$590,344,428.42</b>

## LIABILITIES

Reserve for Unearned Premiums . . . . .	\$208,045,283.00
Reserve for Losses and Loss Expenses . . . . .	71,126,191.00
Reserve for Taxes . . . . .	6,299,000.00
Reserve for Reinsurance . . . . .	3,597,138.63
Dividends Declared . . . . .	2,206,239.75
Other Liabilities . . . . .	5,081,567.09
<b>Total Liabilities . . . . .</b>	<b>\$296,355,419.47</b>
Capital . . . . .	20,056,725.00
Surplus . . . . .	273,932,283.95
Surplus as Regards Policyholders . . . . .	\$293,989,008.95
<b>Total . . . . .</b>	<b>\$590,344,428.42</b>

Bonds carried at \$6,430,635.58 amortized value and Cash \$64,100.00 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Based on these values the Stocks of The Home Insurance Company exceed the Book Value by \$161,823,638.96.

Balance sheet of **THE HOME INDEMNITY COMPANY** • December 31, 1959

## ADMITTED ASSETS

United States Government Bonds . . . . .	\$ 13,587,565.68
Other Bonds . . . . .	6,348,791.16
Preferred and Common Stocks . . . . .	15,866,649.71
Cash in Office, Banks and Trust Companies . . . . .	636,726.04
Other Admitted Assets . . . . .	369,583.25
<b>Total Admitted Assets . . . . .</b>	<b>\$ 36,809,315.84</b>

## LIABILITIES

Reserve for Unearned Premiums . . . . .	\$ 13,279,486.00
Reserve for Losses and Loss Expenses . . . . .	4,538,704.00
Reserve for Taxes . . . . .	351,000.00
Other Liabilities . . . . .	103,500.00
<b>Total Liabilities . . . . .</b>	<b>\$ 18,272,690.00</b>
Capital . . . . .	1,500,000.00
Surplus . . . . .	17,036,625.84
Surplus as Regards Policyholders . . . . .	\$ 18,536,625.84
<b>Total . . . . .</b>	<b>\$ 36,809,315.84</b>

Bonds carried at \$1,140,000.00 amortized value in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Based on these values the Stocks of The Home Indemnity Company exceed the Book Value by \$8,049,835.16.

HAROLD V. SMITH  
Chairman of the Board  
KENNETH E. BLACK  
President

## DIRECTORS The Home Insurance Company

LEWIS L. CLARKE  
Banker  
HAROLD V. SMITH  
Chairman of the Board  
ROBERT W. DOWLING  
President,  
City Investing Co.  
GEORGE GUND  
President,  
The Cleveland Trust Co.  
HAROLD H. HELM  
Chairman of the Board,  
Chemical Bank  
New York Trust Company  
CHARLES A. LOUGHIN  
Vice President &  
General Counsel  
IVAN ESCOTT  
Montclair, N. J.  
PERCY C. MADREIRA, JR.  
Director,  
Electric Storage Battery Company  
CHAMPION McDOWELL DAVIS  
Retired President,  
Atlantic Coast Line  
Railroad Co.  
HENRY C. BAUNIE  
President,  
Empire Trust Company  
HARRIN K. PARK  
Chairman of the Board,  
The First National Bank of  
Columbus, Georgia

THOMAS J. ROSS  
Senior Partner,  
Ivy Lee and T. J. Ross  
HENRY C. VON ELM  
Honorary Chairman  
of the Board,  
Manufacturers Trust Company

JOHN M. FRANKLIN  
President,  
United States Lines Company

LOU R. CRANDALL  
Chairman of the Board,  
George A. Fuller Company

KENNETH E. BLACK  
President

LEONARD PETERSON  
Maplewood, N. J.

HERBERT A. PAYNE  
Vice President & Secretary

J. EDWARD MEYER  
President,  
Cord Meyer Development  
Company

ARTHUR C. BABSON  
Vice President,  
Babson's Reports, Inc.

ROBERT G. GOELET  
Real Estate

WALTER F. PEASE  
Shearman & Sterling & Wright

EMIL SCHWAB  
Chairman of the Board,  
Bulmer Brothers

**The HOME Insurance Company**  
Property Protection since 1853  
**and THE HOME INDEMNITY COMPANY**

